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Philippe Wogen/Reuters
Jacques Chirac saluting supporters at the Paris City Hall after the election.

Chirac Wins French Presidency, Ending 14-Year Socialist Reign

By William Drozdiak
Washington Post Service

PARIS — Jacques Chirac, the conservative mayor of Paris and a two-time former prime minister, succeeded Sunday in his third try to capture the French presidency with a close election victory over his Socialist rival, Lionel Jospin.

As the man chosen to guide France into the 21st century, Mr. Chirac will receive one of the most powerful mandates of any leader in a Western democracy. Besides the immense clout of the French presidency, he will be able to count on an 80 percent majority in Parliament as a result

of the conservative landslide in the 1993 legislative elections.

In his victory speech at city hall, Mr. Chirac told a crowd of delighted supporters that he would match campaign promises with action by mobilizing all of the forces at his disposal to fight against unemployment, poverty and homelessness. He vowed to set aside partisanship bickering and serve as the president of all of France.

"I am fully aware of the gravity of the responsibilities I will have," Mr. Chirac said. "I am also aware of the difficulties of the tasks that await us. Like you, I want a state that is strong, impartial, demanding of itself and concerned about the best use

of public funds — a state that does not isolate those who govern from those who have chosen them."

Within an hour after polls closed, Mr. Jospin conceded, when early returns showed that Mr. Chirac was a clear winner with about 52 percent of the vote to his 48 percent. The Socialist underdog had stunned even his most ardent supporters by finishing first in the elimination round two weeks ago. He appeared satisfied with his showing in the run-off even though he failed to expand his support beyond the left's traditional constituencies.

"I felt a profound movement of renewal building up around my candidacy and my

proposals," Mr. Jospin said as he offered congratulations to his Gaullist foe. "It was not enough for victory but it will not end here because it carries hopes."

After a bitter campaign against Prime Minister Edouard Balladur that rocked the conservative alliance, Mr. Chirac managed to rally the right's divided legions by stressing that real change could occur only if there was a clean break with the Socialist control of the presidency following François Mitterrand's 14 years in power.

As president-elect, Mr. Chirac will make his first official appearance Monday. He

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Quick Fixes Are Needed With No 'State of Grace'

By Joseph Fitchett
International Herald Tribune

PARIS — Embarking on seven years of conservative leadership, Jacques Chirac emerged Sunday as a president who will face severe difficulties in tackling the problems that have accumulated during the declining years of President François Mitterrand.

Mr. Chirac campaigned on a call for change, saying that 14 years of Socialist

called "a lack of desire" — that has always dogged him.

As a result, the Chirac government will not be given a state of grace," according to Jean-Marc Lesch, a pollster who correctly called the outcome of the voting. Previous presidents have been given a breathing space to get organized.

Anticipating these difficulties, Mr. Chirac has pledged to reach out beyond his own Gaullist party to include center-rightists in his government, and his aides predicted Sunday that a strong cabinet team would help ensure that Mr. Chirac will establish personal authority that carries the country with him.

"We need some quick fixes, highly symbolic, to show our hearts are in the right place while we settle down to the tough choices," according to a Chirac aide who expects a government post. He has urged Mr. Chirac to order a crash public building program providing cheap shelter for many of France's homeless people, whose plight has been

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Bundesbank Prescription For the Ailing U.S. Dollar Deficit and Savings Need 'Addressing'

By Nathaniel C. Nash
New York Times Service

FRANKFURT — The beleaguered U.S. dollar will not rise in value against the Japanese yen and the German mark until the Clinton administration and the U.S. Congress take steps to reverse America's declining savings rate and reduce the country's ever-growing budget deficit, the head of Germany's central bank says.

"The problems for me are clear: low savings ratio, relatively high budget deficit, no absolute assurance it will come down in the long run, and a high net debtor position," said Hans Tietmeyer, president of the Bundesbank. "These are the points that have to be addressed."

Mr. Tietmeyer said that even though current American economic performance — low inflation, moderating growth and a soaring stock market — did not justify the dollar's 13 percent decline against the mark this year, currency speculators were no longer basing their buy or sell decisions on current economic factors alone.

"It is not only the presence of the current deficit that seems to concern the markets, but also the prospect for the future," Mr. Tietmeyer said. "The markets seem to think that there is not enough correction on the way as far as these fundamentals are concerned. The markets of today are more and more looking to the future."

Mr. Tietmeyer spoke extensively about his views on the dollar and the recent gyrations in the world currency markets in an interview in his office late last week.

While he repeatedly said that he did not want to meddle in the internal policy-making process of the United States, and therefore, would not make comments on specific legislation, he nevertheless was not shy in criticizing the United States for making little progress in finding a long-term solution to bringing down future deficits.

His remarks followed by a little more than a week a tension-filled meeting in Washington of the finance ministers and central bank heads of the Group of Seven

industrialized countries. The falling dollar has driven the cost of German and Japanese exports up, causing outcry by industries in those countries. But also in Europe, many blame the weak dollar for dragging down other currencies such as the French franc, Italian lira and Spanish peseta.

Thus, almost all of America's major trading partners are calling for corrective actions that will bolster market confidence.

Criticism of American policy has been particularly sharp from Germany, where Chancellor Helmut Kohl, Finance Minister Theo Waigel and Mr. Tietmeyer have repeatedly pointed at American policy and said it was coming up short.

Mr. Tietmeyer said there was no coordinated plan on the part of the German government to finger-point at Washington, but he acknowledged that he did not remember such outspoken criticism from Germany of U.S. policy since the early 1980s, when American deficits ballooned under President Ronald Reagan's tax cuts and military buildup.

"I am not interested in interfering in the policy of the United States," the Bundesbank chief said. "I am only saying that is important to understand what are the problems behind the dollar's low value, and that the markets are not only looking at the present problems but they are looking always at what will happen in the future."

Mr. Tietmeyer said several times that every country has to take care of its own currency, and that a strong dollar is in the interest of the United States as well as the world, since it is the world's reserve currency.

While he would not predict when or if the markets would shift more in favor of the dollar, he said he believed that the Clinton administration had finally understood that the dollar needed strengthening.

"I believe that the United States administration now has a clear policy of saying that it is interested not in a weak dollar but a strong dollar," Mr. Tietmeyer said.

AGENDA

U.S. Warns Russia On Iran Reactors

WASHINGTON (Reuters) — President Bill Clinton warned Sunday that Russia would be endangering its own security by selling two nuclear power reactors to Iran. His comments came in the run-up to his summit meeting Wednesday in Moscow with President Boris N. Yeltsin.

"If this sale goes forward, Russian national security can only be weakened in the long term," Mr. Clinton said in remarks prepared for delivery to the American Israel Public Affairs Committee. He leaves Monday for Moscow.

The president said the fact that Iran wanted to buy reactors and other nuclear technology — even though it has more than enough oil to meet its energy needs — plus other evidence, supported only one conclusion: "Tehran is bent on building nuclear weapons."

"I believe Russia also has a powerful interest in preventing a neighbor, especially one with Iran's track record, from possessing these weapons," he said.

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Clinton Is Advised to Set Tariffs in Japan Auto Dispute

By David E. Sanger
New York Times Service

WASHINGTON — President Bill Clinton's top economic advisers have recommended that he impose record-breaking sanctions against Japanese imports, chiefly automobile parts, in retaliation for Tokyo's refusal to open the Japanese automobile market to America.

The recommendation came at a two-hour meeting of the National Economic Council on Saturday, after last-minute negotiations broke down Friday night between the U.S. trade representative, Mickey Kantor, and Japan's minister of international trade and industry, Ryutaro Hashimoto.

The centerpiece of the retaliation is expected to be tariffs ranging up to 100 percent on billions of dollars' worth of

Risk to Markets Seen

If the United States follows through on its threat to impose trade sanctions against Japan, financial markets will head for an upset, analysts warn. Carl Gewirtz reports. Page 13.

Japanese automobile-related imports. Automotive goods accounted for more than 55 percent of the United States' \$66 billion trade deficit with Japan last year.

American officials would not specify the total value of the products subject to sanctions, but it has been reported that the initial range could be from \$5 billion to \$10 billion. However, the figure is likely to be reduced during a review process.

Mr. Kantor declined to describe the specific recommendations forwarded to the

president but said that a range of actions was "unanimously agreed to after a thorough review, but very little debate." Administration officials said they expected Mr. Clinton to approve the action before he leaves for Moscow on Monday.

But the formal announcement may be delayed for several days, while officials refine a draft list of goods that would be subject to the heavy tax.

They will also be considering the possibility of broader, nontariff sanctions against Japanese industry. While the administration has not indicated what nontariff sanctions it is considering, they could include restrictions on Japanese investment.

Under U.S. trade law, the tariffs cannot go into effect for at least 30 days, giving American companies a chance to review the list and seek the removal of items that

cannot be obtained from non-Japanese suppliers.

As a matter of political as well as practical reality, however, the sanctions are unlikely to go into effect until late June. The delay is designed to maximize pressure on Tokyo to resolve the dispute when Mr. Clinton and Prime Minister Tomiichi Murayama meet at the annual summit meeting of the Group of Seven leading industrialized nations next month in Halifax, Nova Scotia.

Most trade disputes are settled on the brink, and U.S. officials said they hoped a deal could be struck in Halifax, if not before then. But they insisted that they were not bluffing.

"The president is very determined in this matter," Mr. Kantor said. "This has gone

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Europe Consigns an Era of War to History

By John Darnton
New York Times Service

LONDON — At a Victory in Europe Day exhibition at the Imperial War Museum, crowds have been transfixed by a special clock and an electronic digital counter. Every 3.31 seconds the counter clicks up one more number. One revolution of the clock equals five clicks.

The counter is tallying the number who died from wars this century. The clock was started in June 1989 and it will not reach its goal until midnight on the eve of the year 2040. One hundred million clicks.

The museum-goers are coming to grips with what many historians see as the central fact of the 20th century: War.

Increasingly, the 75-year period from 1914 to 1989, covering two world wars and the Cold War, is being seen by historians as a single, discrete epoch, a time apart in which much of the world was fighting war, recovering from war or preparing for war.

In that spirit the explosion of ceremonies marking the 50th anniversary of the Allied victory over Germany in Europe during World War II can be seen as an effort to consign the epoch to history.

In Paris, President François Mitterrand

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Chinese Celebrate the 5-Day Workweek

By Steven Mufson
Washington Post Service

BEIJING — On the sixth day, Gao Wencun rested. And it was good. Taking advantage of China's new five-day workweek, Mr. Gao, a 32-year-old painter in the auto body shop of a state-owned enterprise, basked in the spring sunshine at the Beijing Amusement Park with his family, eating honeydew flavored ice cream.

"We want to take all the rides," he said, sitting next to his wife, son, and mother-in-

law near a giant boat-shaped swing and not far from the giant Ferris wheel.

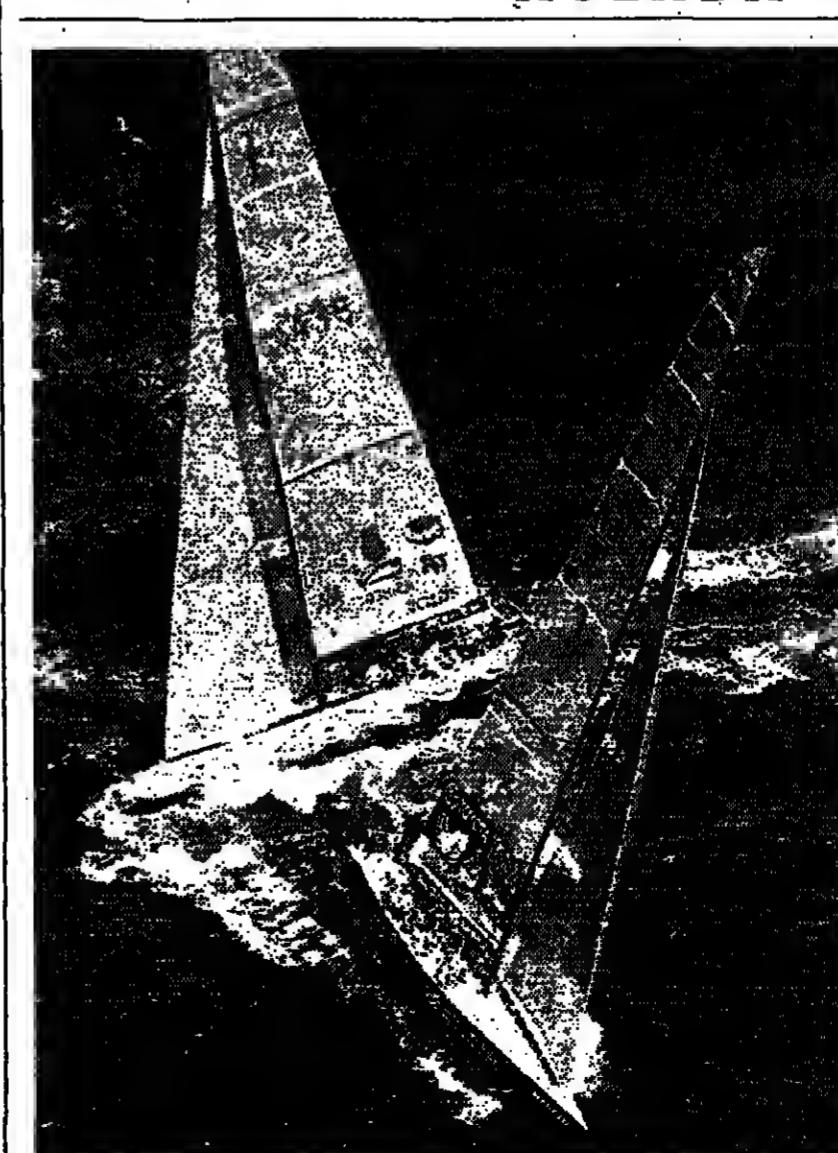
China's newly shortened workweek is a measure that Beijing's leaders hope will reduce unemployment and spread work around for the tens of millions of laborers who do nothing but are still on the payrolls of China's state-owned enterprises.

The idea of leisure is still relatively novel one in China, where the government has driven people to speed growth and where Mao once advised that "the principle of diligence and frugality should be observed in everything."

Until last year, the legal workweek was six days. In 1994, it was trimmed to 44 hours, with millions of people working one Saturday and then having the next one off. Now, with the wave of a government wand, millions of Chinese have been liberated from the grindstone of the sixth day of work.

"More, faster, better, cheaper," was the economic slogan of the late 1950s. Now that advice could be applied to amusement park rides. The economic slogan of the Deng Xiaoping era has been: "To get rich is glorious." But to get a ride in a plastic

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CUP MAGIC — New Zealand's Black Magic 1 tacking ahead of Dennis Conner's Young America en route to a victory in the America's Cup. Page 19.

An Immigration Crisis/Racism, Poverty and Fear

Europe Bridles at Its Muslims

By Craig R. Whitney
New York Times Service

PARIS — Michel Gourdin, a French baker in the northern Paris suburb of Garges-les-Gonesse, remembers the day a year ago when a gang of unemployed North African Muslim youths wrecked his shop in a riot.

One of the gang's members, he said, had been killed by a rival Asian group, and the North Africans, believing that the French police had let the suspected killer go, attacked the local precinct house and then all the French-owned businesses in the neighborhood.

"What I don't understand," Mr. Gourdin said, "is that some of them are involved in hard-core gang robberies and drugs. The police know who they are, but they don't do anything. I think they are afraid of provoking an even bigger explosion here if they do."

Garges is a working-class town of 45,000 people with housing projects built for refugees from France's colonial wars in North Africa. Today it has been radically transformed, like other cities throughout Europe, by Muslim immigrants who suffer from the same problems of unemployment, high crime and bewildering social change that affect the Europeans who also live there.

Europe's struggle to integrate its minority of 10 million to 13 million Muslims is in crisis. It is more than a profound cultural conflict. It is one with grave echoes of racism, fundamentalism and fears of terrorism.

"The sad fact is that interaction is very difficult and rare," said Ian Hastings, a Briton who grew up in India and who has chosen to live in the cultural and ethnic mix that East London has become today.

From the British National Party in London's East End to Jean-Marie Le Pen's National Front in Marseille, racist far-right politicians openly appeal to white fears in the parts of Europe where local populations are being steadily replaced by immigrants.

Mr. Le Pen, a candidate in the first round of the French presidential elections last month, won 15 percent of the vote nationwide, his strongest showing in two decades.

Government crackdowns on legal and

illegal immigration in European countries have been prompted in part by the fear of right-wing demagogery if the influx is not brought under control. Such moves have helped steal the thunder from the far-rightists in Britain and Germany.

Though urban crime and chronic high unemployment do not discriminate between Muslims and Christians in the poor European neighborhoods where the

Second of a series

local and immigrant populations coexist, they do contribute to rising tensions.

Interviews in France, Britain and Germany, three West European countries with a heavy concentration of Muslims in urban neighborhoods, show a range of attitudes toward Muslims of various cultural and ethnic backgrounds. It is estimated that there are 5 million Muslims in France, 1 million in Britain and 2 million in Germany.

In Aulnay-sous-Bois, a residential sprawl north of Paris, Communist and Socialist-dominated governments built housing projects over the years for low-income French families. Most of those apartments are now occupied by Algerian immigrants.

ONE of the few remaining ethnic French residents of one project is Yves Hiestand, a 48-year-old accountant who has been unable to work for the last two years because of intestinal cancer. He opened the door to the stairwell on the 12th floor the other day and wrinkled his nose in disgust.

"Drug addicts," he said, pointing to discarded plastic syringes on the concrete steps and to a bloodstain on the yellow stuccoed wall. "All North Africans. The police don't even care."

The French-owned stores on the ground floor of Mr. Hiestand's building have, one by one, been bought out by North African owners who cater to their clientele with signs in Arabic. One French butcher remains.

"It's not safe to ride the buses, and taxis won't even come in here after dark," he said. "It's like being a prisoner in your own country."

Mr. Hiestand blames French social-welfare and immigration policies for cre-

ating the situation, and he supports Mr. Le Pen's far-right movement.

In Aulnay, Mr. Le Pen won 20 percent of the vote, but he came in ahead of all other candidates in more than a score of cities from Marseilles to Metz, on a platform promising to send 3 million immigrants back where they came from to make room for 3 million unemployed French workers.

Such arguments may make little sense, but they appeal to racism. In fact, Islamic immigrants are among the hardest hit by France's 12.2 percent unemployment rate, with joblessness in many North African neighborhoods running at about 40 percent.

UNEMPLOYMENT IS just as big a problem in the Brick Lane neighborhood of the Tower Hamlets section of East London, once the center of the Cockney world. Today the street signs are in Bengali and English.

A total of 161,000 people live here, 37,000 of them — 23 percent — from Bangladesh, with a smattering of black African and Caribbean immigrants.

"I was born in the East End — I live here because I belong here," said Eileen Whitmarsh, a 58-year-old who lives 10 minutes from Brick Lane in a city housing project on Ellsworth Street. "I can't say we like what's going on now — the indigenous people feel like second-class citizens," she said. "They feel as if the outsiders are getting preference."

The anti-immigration British National Party has been accused of egging on clashes between skinheads and Asian gangs. Early last year, with tensions running high, newspapers predicted that local government elections in May would produce strong majorities for the party, but it was defeated, even losing the majority it had held in the Millwall district.

"The people in this area have a long history of fighting racism," said Pola Manzila Uddin, an emigre from Bangladesh who has been a Labor Party councilor in Tower Hamlets for six years.

"It's always been a neighborhood full of immigrants — the Jews and the Irish came before us, but we have a different skin color, we stand out and we'll be here longer than those groups were," she said. "Our children are the ones who are going to determine whether we live in a racist

society for the next 50 years, or live in a more balanced, caring community."

Unemployment in Tower Hamlets last year ran close to 27 percent, two and a half times the national average.

In Bradford, a manufacturing city 200 miles north of London, the jobless rate

approaches 50 percent in some Pakistani neighborhoods, said Ralph Berry, a local councilor. There are 45,000 Pakistanis in the city, a ninth of the population.

In Germany, meanwhile, two funda-



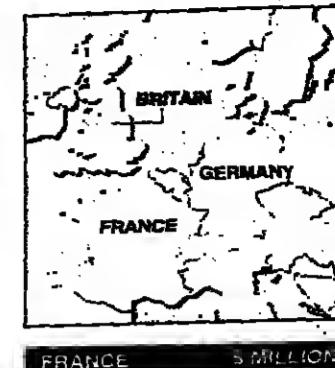
Like many Muslims in Europe, Turks living in poor neighborhoods in German cities have been victims of chronic unemployment and racial hatred.

mentalist mosques, both in the predominantly Catholic Rhineland city of Cologne, have been making headway in the Turkish Islamic population in Germany.

The more radical of the two runs an Islamic cultural and shopping center on the Niehler Kirchweg, in the Nippes section of Cologne. A green Islamic flag flies above it. Nippes is home to about 111,000 people, 12,000 of them Turks.

"We've always had Turkish neighbors, and we've always gotten along with

Main Muslim Enclaves



An estimated 5 million Muslims, mostly from North Africa, out of a total population of 57 million, mainly concentrated in Paris, Lyon and Marseille.

GERMANY 1 MILLION
About 1.9 million Turks and Kurds, the great majority of them Muslim, and about 250,000 Bosnian refugees, out of a total population of 80 million. Mainly concentrated in Berlin, Cologne, Frankfurt, Hamburg and Munich.

BRITAIN 1 MILLION
About 1 million Muslims, 775,000 of them from India, Pakistan or Bangladesh, mainly in London, Birmingham and Bradford, out of total population of 58 million. There are also communities of Egyptians, Iraqis, Moroccans, Palestinians and Yemenis in London.

The New York Times

them," Regine Kerskin said. "But these people are different — the women always wear veils now, and they come on weekends to attend the Koran school."

Turks who had felt safe living in Germany suddenly felt dangerously exposed when right-wing radicals began fire-bombing Turkish homes in late 1992. It's like said Vural Emre, who came from Turkey 33 years ago. More than 20 Turks and other immigrants died in such attacks between then and the end of 1993.

EAA Tightens Controls on Israel Repairs

Washington Post Service

WASHINGTON — The Federal Aviation Administration has placed the main Israeli aircraft repair station under close supervision after discovering maintenance lapses on U.S.-owned Boeing 747s that had been modified in Israel, FAA officials said.

The FAA stopped short of revoking the certificate of the Beek Aviation Division of Israeli Aircraft Industries. But under a consent agreement, outside inspectors must check all work on 747s until the Israeli government-owned company passes a new FAA inspection. U.S. regulations require FAA approval for any foreign repair station servicing U.S.-registered aircraft.

Anthony J. Broderick, the FAA's associate administrator for regulation and certification, said the FAA had decided against harsher action because the company was cooperating fully. "They were very apologetic," he said.

A routine late-March inspection of a Tower Air 747 at John F. Kennedy International Airport in New York disclosed corrosion that had been painted over rather than repaired. FAA inspectors discovered that Beek inspectors had certified that the corrosion work had been completed.

FAA inspectors also found work certified as completed but not performed on two 747 cargo planes. In one case, a Beek employee had certified that a certain procedure was performed in an area of an aircraft that could not be reached because of earlier modifications.

Marvin Klemow, vice president of public affairs for Israeli Aircraft Industries, said the company was eager to correct any problems and had agreed to all the FAA's proposals.

TRAVEL UPDATE

Hezbollah Makes Pitch to Tourists

BAALBEK, Lebanon (Reuters) — Lebanon's pro-Iranian Hezbollah Party, accused of kidnapping and killing Westerners in the 1980s, is opening its arms to tourists in the 1990s.

"Hezbollah welcomes visitors" declare large banners strung across streets this week in Baalbek, a stronghold of the Shiite Muslim group in Lebanon's eastern Bekaa Valley. The banners hang near Baalbek's Roman temples to Apollo and Bacchus, which are among Lebanon's major tourist attractions. The banners also say: "Islam is the solution to all the problems of humanity: This is the message of Hezbollah to the whole world."

Cliff Drawings in France Endangered

PARIS (AP) — Some 36,000 ancient drawings etched into stones on Mont Bego in the French Alps may disappear under the grating scrawls of tourists, according to a French researcher.

Henry de Lumley, director of the Museum of Natural History, said the site in the Mercantour National Park was being vandalized by visitors. The 4,000-year-old drawings depict sacred cows, their horns framing human faces.

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Britain, Czech Republic, France, Philippines, Saudi Arabia, Turkey.

TUESDAY: Armenia, Belarus, Kazakhstan, Kyrgyzstan, Russia, Sri Lanka, Tajikistan, Turkmenistan, Ukraine.

WEDNESDAY: Indonesia, Singapore.

THURSDAY: Cameron.

FRIDAY: Denmark.

SUNDAY: Malaysia.

Sources: J.P. Morgan, Reuters.

DUTY FREE ADVISORY

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Abu Dhabi Airport Duty Free

By Clyde Haberman
New York Times Service

JERUSALEM — In theory they should have been elated, but Israeli government leaders responded coolly Sunday — a few even coolly — to efforts in the U.S. Congress to move the American Embassy in Israel from Tel Aviv to Jerusalem.

Some officials warned that the initiative by Republican congressional leaders, reported this weekend, would cast shadows over already troubled peace talks with the Palestine Liberation Organization.

In the Israeli press, an official traveling with Prime Minister Yitzhak Rabin on a visit to Washington was quoted as suggesting that the rightist Likud opposition was behind the ef-

fort in the hope of "torpedoing" peace negotiations.

Almost inevitably, Palestinians would regard a move as a statement by the United States that it had changed its long-held position and now supported Israel's claims to all of Jerusalem, including eastern precincts captured from Jordan in the 1967 Middle East war.

The Palestinians want East Jerusalem for their own capital, and the PLO chairman, Yasser Arafat, warned in Cairo on Sunday that an American move would be "dangerous."

While still far from a reality, the proposed embassy shift has added a large log to a fire of dispute over Jerusalem and its ultimate fate.

Technically, under the agreement that Israel and the PLO signed in 1993, that question does not have to be discussed before May 1996 and need not be settled until May 1999.

But in reality Jerusalem is already on the table. It has been put there by both sides through various actions, including a new Israeli project to confiscate 134 acres (55 hectares) of land in two largely Arab neighborhoods, mostly for a new police headquarters and housing for Jews.

Mr. Arafat has resisted pressure to call off the talks because of the planned seizure. But he has campaigned vigorously against the Israeli move, and at his urging, the Arab League asked the United Nations Security Council on Saturday to condemn Israel for the seizure.

Since the United States opposes the idea, a Security Council debate seems doubtful. But because of the embassy issue, America's intentions and its claims to impartiality in the peace talks are being questioned anew by many Palestinians.

Over the weekend, the Senate majority leader, Bob Dole, was reported to be preparing a bill requiring that work on a new

embassy in Jerusalem begin by the end of 1996.

The reported Dole plan comes after 93 of the 100 senators sent a letter last month to the Clinton administration urging that the embassy be moved from Tel Aviv by May 1999, when negotiations are supposed to be completed. To avoid rupturing the peace talks, the administration has yet to offer a clear response.

All countries, with the exception of El Salvador and Costa Rica, have their embassies in Tel Aviv.

In principle, the Rabin government should be ecstatic that the Americans may move to Jerusalem and thereby affirm that the city is Israel's capital. But ministers sounded distinctly anti-enthusiastic Sunday.

Foreign Minister Shimon Peres said there was "no need for our involvement" in a prospective U.S. move, while Communications Minister Shulamit Aloni suggested that outsiders were trying to interfere with the negotiations.

"It has a smell of provocation," she said.

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THE AMERICAS



Jose Caballero, an usher at the State Fair Music Hall, inspecting his damaged car in Dallas in the wake of the storm.

Away From Politics

• At least 16 persons were killed in the Dallas area by a storm with torrential rains, winds of up to 70 miles an hour (110 kilometers an hour), and hailstones described as being the size of grapefruit. Most of the victims drowned when flash floods engulfed their cars, including five members of one family. Two workers were killed when a warehouse roof collapsed. Lightning struck and killed a 5-year-old boy and also caused a house fire that killed a 70-year-old woman. Four persons were reported missing and more than 100 were treated for injuries, mostly minor. Damage estimates exceeded \$400 million. (AP, Reuters)

• A jury has awarded \$300,000 to the San Francisco Fire Department's first female

lieutenant, who said she was harassed, threatened and discriminated against. Ann Young charged in her lawsuit that male colleagues tried to push her off a building, threw debris from a fire at her and harassed her with pornography. She said her superiors retaliated against her for complaining. Ms. Young, 33, was one of the first four women to be hired by the department in 1987. She was made a lieutenant two years later. She went on leave in August and said she did not plan to return. (AP)

• A small fire caused slight damage to the space shuttle Endeavour at Cape Canaveral, Florida, but there were no injuries. The accident happened in the hangar when an undetermined amount of hydrazine fuel leaked as technicians tried to remove a thruster. The fuel apparently was ignited by a light held by a technician, or by a thermal blanket. (AP)

• An elderly Chicago woman, fearing that a bomb might be in a rental truck abandoned in her neighborhood, helped the police make one of the biggest drug seizures in the city this year. Policemen uncovered cardboard boxes containing about 810 kilograms of uncut cocaine and 500 pounds of marijuana worth at least \$225 million. (AP)

• An earthquake measuring 5.0 on the Richter scale shook the Palm Springs area of Southern California. No damage or injuries were reported. (AP)

• Four persons, three of them children, were killed when fire gutted the top floor of a three-story apartment building in Chicago. The children, aged 2, 3 and 4, died of smoke inhalation. A 40-year-old woman was killed in a leap from a window, and six persons were injured jumping. Police suspected arson. (AP)

By Thomas W. Lippman
Washington Post Service

WASHINGTON — As Congress nears decisions on foreign aid and international operations spending, Senator Jesse Helms, chairman of the Foreign Relations Committee, has proposed terminating U.S. participation in the International Labor Organization and many other UN activities.

In a letter to the Budget Committee chairman, Senator Pete Domenici of New Mexico, Mr. Helms said the international affairs authorization bill prepared by his committee would seek to eliminate nearly \$100 million a year in funding ILO membership, the UN Industrial Development Organization and four smaller groups.

The House International Relations Committee and the Senate Appropriations subcommittee on foreign operations have scheduled hearings this week on measures to cut foreign operations and aid spending and to reorganize the government's foreign policy apparatus, eliminating the Agency for International Development.

Apparently in the belief that the House is less committed to quick action than the Senate and time is on the administration's side there, Jill Buckley, assistant administrator of AID,

can also said he would recommend "terminating or greatly reducing" funds for almost every UN-sponsored organization except Unicef, saving another \$200 million a year. His targets include the UN Development Program, to which Washington contributes \$118 million yearly, the UN Fellowship Program, with an annual U.S. budget of \$100,000, the UN Population Fund, and a fund set up to carry out the Montreal Protocol on global warming.

Mr. Helms is at the center of a furious battle over funding for

U.S. activities abroad, a battle that pits the administration and some moderate members of Congress from both parties against Mr. Helms and other conservatives who seek sharp cuts in spending on the State Department, the United Nations and foreign aid.

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POLITICAL NOTES

Gingrich Cool to Abortion Measure

WASHINGTON — Newt Gingrich, the speaker of the House, said Sunday that there could be a rash of illegal abortions if Republicans pushed through a constitutional amendment to limit abortions.

The Georgia Republican, a strong opponent of abortion, said the nation needed to go through a long process of dialogue on the subject, and that simply amending the constitution might backfire.

"We have to win the argument in the country," Mr. Gingrich said in a television interview. "If all we did tomorrow morning was pass an amendment, you would have millions of women going into back alleys having abortions."

The Republican platform calls for a constitutional amendment to ban most abortions, but Republican leaders in Congress have shown little enthusiasm for bringing up the issue. Instead, they are considering legislation, such as giving the states more power to withhold funding for abortions in the case of rape or incest. (AP)

Clinton Vows to Bar Illegal Aliens

WASHINGTON — President Bill Clinton has promised to expedite deportations of illegal immigrants who are charged with breaking U.S. laws, even if they are not convicted.

"It simply doesn't make any sense for us to have illegal aliens in our custody in our courts and then let them go back to living here illegally," Mr. Clinton said Saturday in his weekly radio address. "That's wrong and we should stop it."

The president, noting that the United States is deporting about 40,000 illegal immigrants a year, also pledged to clean out a backlog of 100,000 aliens awaiting deportation proceedings by streamlining the process. (WP)

Gramm Blasts Federal 'Hammock'

WASHINGTON — Senator Phil Gramm, a Texas Republican, has blamed an "explosion" in the size of government over the past four decades for the deterioration in morality and values in America and said the only solution was to reduce the federal government sharply and give families more freedom to spend or save their own money.

In a speech designed to reassure social conservatives in the Republican Party that he will make their issues an essential part of his presidential campaign, Mr. Gramm told a college commencement audience that the social safety net erected by government by the New Deal and the Great Society had become a "hammock" that is robbing the country of freedom and virtue.

Mr. Gramm spoke at Liberty University in Lynchburg, Virginia. (WP)

Black Is Elected Mayor of Dallas

DALLAS — Ron Kirk, a former Texas secretary of state, has been elected mayor of Dallas in a landslide, becoming the first black mayor of any major city in the state.

With 865 of 875 precincts reporting, Mr. Kirk had 68.54% votes, or 62 percent. Darrell Jordan, a lawyer, trailed with 24,933 votes, or 23 percent, and City Councilman Domingo Garcia had 13,946 votes, or 13 percent.

"I've always believed that if you had to choose between making history and making sense, you ought to make sense first," said Mr. Kirk, who will be sworn in June 5. "What we did was articulate a vision that made sense to the voters of Dallas."

Quote / Unquote

Governor Pete Wilson of California, a candidate for the Republican presidential nomination, on his failure to pay Social Security taxes on a maid: "Those opponents of immigration reform who think they can use this against me to silence the debate on illegal immigration are mistaken. The voters are far more concerned with how the federal government is failing to control our borders today, than with who was hired 17 years ago to help with the housework." (NYT)

Fearing Federal Persecution, Militias Take Cover

By Serge F. Kovaleski
and Susan Schmidt
Washington Post Service

WASHINGTON — The Oregon Militia has disbanded and is destroying its records because it fears "persecution" by federal agents. Membership in a Florida paramilitary group has taken a dive. And the radio voice of the militia movement has been yanked off the airwaves.

These are tough times for a number of citizen militias across the United States. Law enforcement officials believe that one of the people charged in the bombing of an Oklahoma City federal building last month may have ties to militias in Michigan and Arizona. Those suspicions are taking a toll on segments of the self-described anti-government patriot movement, both within the ranks and in the communities where paramilitary groups operate.

Although militias have been thriving over the past year, some members are rethinking their affiliations and weighing whether the angry rhetoric and firearms fervor that the organizations espouse are too extreme.

Others, who say they are concerned about their safety, are disassociating themselves from militias altogether for fear the federal government may launch a campaign to stamp out the groups.

"We are seeing weekend warriors who participated in militias merely as an exercise of their Second Amendment rights distancing themselves from the hard cores, the true ideologies of the movement, who will stay firmly entrenched," said Steven L. Gardner, research director at the Coalition for Human Dignity, a Portland, Oregon, watchdog group that tracks militias.

"While the movement has not been proven criminally responsible for the bombing, it has been indicted morally," Mr. Gardner said. "For some, the cost of being associated with such a stigma is too high."

Since the Oklahoma blast, some militias have been ostracized by local residents and carefully watched by local law enforcement authorities who previously had paid little attention to them.

"We have a higher level of vigilance and caution because we want to make sure that some

of these beliefs are not distorted into violence," said Dave Wareing, chief of operations for the Whatcom County Sheriff's Office in northeast Washington state.

He said that officers had been told to be watchful for armed individuals garbed in camouflage, cars without license plates or drivers without licenses — all of which could indicate membership in a militia or patriot group.

"We want to get a sense of whether more people are mobilizing to commit criminal acts," Mr. Wareing said.

Consequently, watchdog groups said they expected that many paramilitary outfits would start to operate more secretly by breaking up into clusters of anywhere from 5 to 15 members that are harder for law enforcement to monitor.

The founder of the Oregon Militia, Michael J. Cross, said he had decided to dissolve his group last week after he became suspicious that it had been infiltrated "to about the highest level" by individuals working for the federal government.

"All records will be destroyed," Mr. Cross said.

He added, "I said to the members if they want to form small cell groups, that would be safer than one big organization."

Mr. Cross, 28, an insurance salesman in the state capital of Salem, said that participation in the militia, which had claimed about 300 members, had dropped following the Oklahoma City attack.

Mr. Cross, who single-handedly ran the militia, said he dissolved the organization to protect himself, his family and his followers from a hostile government, which he believes was responsible for the April 19 bombing of the Alfred P. Murrah Federal Building.

He suggested that the terrorist act was carried out by a "rogue agency" to destroy documents relating to the 1993 show down between federal agents and the Branch Davidian cult near Waco, Texas, so there would not be a renewed inquiry into the case.

"If they would blow up one of their own buildings, who knows what they could do to militiamen," Mr. Cross said in a recent interview. He said during the interview he had been told

that an acquaintance had just been arrested by agents from the Bureau of Alcohol, Tobacco and Firearms.

"I fear for my safety and my family's safety because of misguided actions the government has taken on innocent people in Waco and other places," he said.

A leader of the Florida Patriots Network said the fallout from the bombing was affecting membership. The leader, John Adams, said that at a meeting last week of his cell group, one of a number that make up the Florida militia, only four people

came, compared with the 15 or so who regularly attend.

"This has separated the men from the boys, so to speak," Mr. Adams said. "It's very damaging, very damaging. It sets us back several years."

Militia leaders said they were trying to salvage the movement's tarnished image, which they blame on scapegoating by the federal government and biased news coverage, by being as cooperative as possible with law enforcement authorities and news organizations.

The Militia of Montana, for example, has opened its head-

quarters in Novato to large numbers of journalists, allowing them to come and go as they please and providing them with reams of documentation, lengthy interviews and complimentary coffee and cookies.

"We want the public to see our heart's intent," said co-founder John Trochmann, 31. He claimed that his group has not been adversely affected by the bombing and that the office continues to be flooded by inquiries from supporters seeking information about the militia.

"Our interest is the welfare of our fellow Americans."

most northwestern American states plus Alberta and British Columbia in Canada.

In 1990, the Canadian Aryan Nations' leader, then Terry Long, organized a white-supremacist gathering in rural Provost, Alberta, that made many Canadians realize for the first time that hate was sprouting on their soil. In addition to burning on a 30-foot-high cross and displaying swastikas, attendees shouted at and roughed up anti-racism protesters and members of the media.

In Toronto, the six-year-old Heritage Front is considered one of the country's most influential hate groups. Founded by Mr. Droege, it has strong appeal to young people. At a time when immigration to Canada is rising, and youth unemployment is high, the front spreads its pro-white, anti-black, anti-Semitic message on the grounds of Toronto-area high schools and colleges. The front claims membership of about 400, he said.

During a 1993 raid of the Toronto home of a Heritage Front member, Richard Manley, police found an AR-15 assault rifle, an Uzi automatic machine pistol, a semi-automatic Ruger Mini-14, other firearms and 2,200 rounds of armor-piercing bullets. Nearly all the cache was illegal under Canadian law. Police say they do not know why Mr. Manley was collecting the armaments.

Most of the leaders of the Canadian hate movement have American ties. Mr. Droege first entered the scene as a Canadian coordinator for a Louisiana

institutional protection in the United States.

But hate has a long history in Canada. The first Ku Klux Klan Canadian cell was founded in 1921; the first cross burnings began a few months later.

Klan adherents burned a Catholic college in Winnipeg in 1922, killing 10 students.

Only in the last five to 10 years have other major hate groups taken a foothold in Canada. In the west, the Aryan Nations has spread from Idaho into western Canada. One goal of the organization is to found an all-white country that would encompass roughly the five

former Klansman, David Duke, and spent four years in Lompoc prison in California under a U.S. conviction on weapons and drug charges.

A fellow Heritage Front leader, George Burdi, founded a rock band called RaHoWa (for Racial Holy War) that records for Resistance Records of Detroit. An Aryan leader, Tony McAleer, moved his Canadian Liberty Net telephone line to Bellingham, Washington, after he was shut down in Vancouver.

Extremist American groups may talk more about their fondness for firearms, but some of the Canadian organizations are gun-prone as well, according to Warren Kinsella, who has written a book on the subject. The Heritage Front requires its members to obtain licenses to buy guns, he said, and even though militias are illegal, he has seen paramilitary training grounds.

Hate groups here share distaste for the national government with their American counterparts. A Canadian Aryan Nations leader, Charles Scott, says the government is "conspiring to murder my kind" and Mr. Kinsella said most Canadian hate organizations "subscribe to the credo of government being a willing tool of the Zionist conspiracy." As a result, he said, a potential for domestic terrorism in Canada exists.

"All the characters I've interviewed for the last 10 years have

been talking about doing something big," he said. And because police crackdowns have driven some of the groups underground, he said, "it is possible they have entered a new phase where they are going to get more violent."

Canada's legal system is moving against rightist extremism. Mr. Burdi was convicted in April on assault charges arising from street riots in Ottawa in 1993. Mr. Droege is headed for prison on contempt charges.

At a time when instruments unerringly cope with Mach 1 flight data, continued improvements in the mechanical chronograph simply underscore that there's more to time than technology. A movement's intricate beauty on a hand-polished case's lustrous gleam do put technological progress in a broader perspective.

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INSTRUMENTS FOR PROFESSIONALS

After Years as 'Sick Man of Asia,' Philippines Enjoys a Healthier Economy

By Philip Shonan
New York Times Service

MANILA — It became the nightmarish symbol of a desperate nation: thousands of Filipinos swarming over a mountain of garbage as tall as a 10-story building, scavenging an Everest of rotting trash with their bare hands.

A generation of rapscallions settled in shanties atop Smoke Mountain, named for the noxious haze from methane fires smoldering beneath the refuse.

Across town, Manila's rich had their own evidence of the collapse of a nation that was once the most prosperous in Southeast Asia: they could not even keep the lights on. In the early 1990s, the capital's business districts were blacked out for half the day when the antiquated power grid failed.

William Tiffany, president of Caltex Philippines, an American-owned oil company, saw the blackouts as evidence of a nation "with no direction for the future, with no commitment for sorting out its problems."

Many large foreign investors talked openly of giving up on this former American colony.

But could the terrible times finally be over? Almost three years after the inauguration of Fidel V. Ramos as president, the symbols of stagnation have begun to disappear, replaced by the hope that this nation of 67 million might finally be shaking its decades-old reputation as "the sick man of Asia."

The optimism is not universal. The modern histo-

ry of the Philippines is one of lost opportunity, and Mr. Ramos's leadership has been tested this spring by the uproar over the execution in Singapore of a Filipino maid, Flor Contemplacion, 42, whose name has become a rallying cry for the nation's poor.

Many Filipinos say Mr. Ramos did not do enough to save Mrs. Contemplacion, who was convicted of two murders from being sent to the gallows. The furor could cost Mr. Ramos's supporters at least a few seats in the Philippine Congress in elections Monday.

But the debate has not dampened the enthusiasm of many economists and foreign investors who say that under Mr. Ramos the Philippines appears to have come to the end of an era of decay that began during the dictatorship of Ferdinand E. Marcos and continued through the chaos of the presidency of Corazon C. Aquino.

The economy grew by 5.1 percent in 1994 — modest by the standards of Southeast Asia but dazzling for the Philippines — and is projected to grow by at least 6 percent this year. Exports rose in 1994 by nearly 20 percent, while commitments for foreign investment quadrupled, reaching \$2.5 billion.

Michael Taylor, an economist with Morgan Stanley, described the accomplishments as "a truly unexpected Asian economic miracle."

Smoke Mountain is being bulldozed, and its 10,000 residents are being moved to a new housing development that will offer them running water, most for the first time.

"It will be good for my kids to have a clean house and a toilet," said Anna Mae Paronda, 33, a ragseller with four children. Across town, the lights are back on, the result of a crash program to build electricity plants.

"The vision of President Ramos is changing the Philippines," said Mr. Tiffany, whose company plans to spend \$600 million on new oil refineries.

Still, the question for Mr. Ramos is whether the problems of the Philippines are too entrenched to allow this country ever to achieve real prosperity.

While the official unemployment rate is about 9 percent, as much as one-third of the work force is considered chronically underemployed.

And there is little hope that before he leaves office in 1998 — he is permitted only one six-year term — Mr. Ramos will have made any real improvement in the lives of the poor, who have one of the highest birth rates in Asia.

The presidential residence, Malacanang Palace, has changed little since the days of Mr. Marcos, whose 20-year rule left the country in tatters by the time he was forced into exile in the United States in 1986.

The ostentatious decor beloved by the former first lady, Imelda Marcos, is at odds with the informality of the palace's newest tenant, Mr. Ramos, a cigar-chomping West Point-educated general whose decision to turn on Mr. Marcos in 1986 made him a hero of the "people power" revolt led by Mrs. Aquino.

Mr. Ramos, 67, laughed when asked if the Philip-

pines could still be described as the "sick man of Asia."

"Oh, no," he said. "The sick man has been out of the hospital for a long time. And he's up and jogging."

Mr. Ramos has done much to reassure foreign investors who fled from the Philippines during the presidency of Mrs. Aquino. Her government faced almost daily coup threats from disgruntled soldiers.

An investment in the Philippines is still a gamble, of course. Investors on the southern island of Mindanao have been alarmed by a wave of violence by Muslim militants there who may have allied themselves with suspected Middle Eastern terrorists.

The anger over the Contemplacion case has righted even the Singaporeans who had been a large source of investment in the Philippines. But even as Singaporeans pull out, much larger foreign investors say they are here to stay.

"I have the impression that the Philippines is back on track for good," said Shoichiro Toyoda, chairman of Toyota Motors, which plans to build a second assembly plant here.

Not everyone is convinced that the economic revival of the Philippines will last, and there was alarm here last winter over the collapse of the Mexican economy, which had been seen as a model for the Philippines and other developing countries.

"Is this bubble going to burst?" said Solita Collas Monsod, an economist at the University of the Philippines. She said too little foreign money was being spent to build job-creating factories, and too

much poured into stocks and bonds of Philippine companies.

"Mexico had an enormous amount of portfolio investments and look what happened there," she said.

But other economists say the Philippines has done a far better job than Mexico in managing its economy.

Once among the most protectionist nations in Asia, the Philippines under Mr. Ramos has also eased currency controls, cut import duties and courted foreign investors.

Mr. Ramos's most lasting contribution to the economy may be his assault on the handful of oligarchic families who control most of the nation's wealth, including the Cojuangco family, the clan that controls Philippine Long Distance Telephone Co.

For millions of Filipinos, the phone company symbolized what was wrong with the country. Effectively a monopoly, it provided some of the worst phone service in Asia at some of its highest prices.

In 1993 there was a backlog of hundreds of thousands of people seeking phone lines, with many told not to expect installation until well into the next century.

But the monopoly-like grip of the Cojuangcos, relatives of Mrs. Aquino's, ended last year, when the government opened the telephone industry to competition. New phone companies have been formed. In just a year, telephone service has improved markedly.

BRIEFLY ASIA

7 Killed in Hindu Caste Violence

LUCKNOW, India — Seven people, including three policemen, were fatally shot in a northern Indian village, apparently as part of a caste vendetta, the police said Sunday.

The killings occurred Saturday at Gorakhpur in the state of Uttar Pradesh, said the state police chief, V.S. Mathur. The village is about 220 kilometers southeast of Lucknow.

All those killed belonged to the higher-ranking Brahmin or Kshatriya Hindu castes or the Yadav community.

Chief Mathur said that after the killings, 2,000 villagers demonstrated against a minister from the Bahujan Samaj Party, a lower-caste party that is part of a coalition government in the state.

(Reuters)

Vietnam Seeks Better Sea Defense

HANOI — Officials said Vietnam should improve its deployment of naval forces amid tensions in the disputed Spratly Islands in the South China Sea, the army daily Quan Doi Nhan Dan said Sunday.

At a ceremony for the 40th anniversary of the Vietnamese Navy, the deputy defense minister, General Nguyen Thoi Bung, said the force's most important task "is to solidly defend the coastal waters and islands belonging to Vietnam," the newspaper reported.

Separately, Vice Admiral Mai Xuan Vinh called for the "gradual improvement of the strategic deployment of naval forces" in the South China Sea.

(AFP)

Meeting on North Korea Accord

SEOUL — Officials from the United States, South Korea and Japan will meet here Wednesday to wrestle with ways to restart nuclear talks with North Korea.

The U.S. ambassador-at-large, Robert Gallucci, will fly into Seoul on Monday, and on Wednesday will meet with the Japanese ambassador for nuclear affairs, Tetsuya Endo, and South Korea's nuclear chief negotiator, Chae Dong Jin.

(AFP)

For the Record:

More than 50 marchers crossed from Thailand to the Cambodian town of Poipet on Sunday to join about 500 Cambodian monks and nuns on a peace march, despite recent attacks by Khmer Rouge guerrillas.

The first Chinese team to conquer the North Pole has raised China's flag over the world's most northerly point, the Xinhua press agency reported Sunday.

(Reuters)

Bhutto Is Set Back On Blasphemy Law

Agence France-Presse

ISLAMABAD, Pakistan — Prime Minister Benazir Bhutto's effort to amend Pakistan's blasphemy law has been set back as legislators in a key province joined religious parties to oppose the proposal.

Miss Bhutto has said the law should be revised to prevent its abuse and allow fears of persecution among the religious minorities of Muslim Pakistan.

The law was promulgated in 1986 by then-President Mohammed Zia ul-Haq. It calls for the death penalty for anyone convicted of insulting or defiling the prophet Mohammed.

Religious parties have strenuously fought any amendment of the legislation.

They were joined last week by the assembly in Punjab, which unanimously adopted a resolution calling on the government not to amend the law in a way that would be "repugnant" to the Koran and Islamic tradition.

The resolution reflected the sentiments of the people of Punjab, home to 60 percent of Pakistan's 130 million people, said Ghafur Haider, secretary-general of the Jamaat-i-Islami, which advocates the adoption of a constitution in accordance with Sunni Islamic teachings.

The resolution came a month after Miss Bhutto's adviser on human rights, Kamran Rizvi, announced that the proposed changes would include a punishment of up to 10 years in prison for anyone who falsely accused another of blasphemy.

Another proposal would require that a case be registered by the police only after a judicial inquiry found sufficient grounds to proceed with charges, Mr. Rizvi said.

His statement triggered an angry reaction from the Muslim parties. Hamid ul-Haq, the spokesman for the National Solidarity Council, a group of more than a dozen religious parties, said a nationwide protest campaign would be launched on May 29 if the government adopted the changes.

Mr. Haider of Jamaat-i-Islami said that changing the law would be the government's "worst mistake."

He denied that the law targeted the Christian minority, saying that it was for everyone. "If a Muslim indulges in insulting the Christ, he is to be condemned to death," he said.

But something is lost when a government proclamation is translated into reality. Vast numbers of Chinese people will not be affected by the new law. About two-thirds of the popula-

tion lives in rural areas where the seasons dictate their work schedules. In addition, a growing number of people with their own businesses will work just as hard as ever.

Loopholes in the law will allow some departments and companies to keep the same

work schedule. Schools and universities can phase in the new schedule by the beginning of next year. Work units claiming "special difficulties in adopting the measure" will receive grace periods to implement the system, the government said.

CHINA: Workers Take Advantage of the 5-Day Week

Continued from Page I

(\$17.60) on tickets for the amusement park even though he earns only about \$100 a month.

But the main target of the new five-day workweek is not the emerging leisure class in China. It is the struggling working class. The state-owned enterprises employ about 120 million people, and an estimated 20 percent to 30 percent of them are not needed to do any work, according to government planning officials.

"Many enterprises I visited say they have quite a lot of surplus labor," said Guo Shuang, an economist with the State Commission on the Reform of the Economic System. "They have too many people, too little work. Maybe for each person the actual working time will be shorter, but in general you will be able to employ more people."

The director of the Xian Blower Factory, which makes industrial fans and air blowers, said the factory would not be affected at all. Usually the workers had nothing to do on Saturdays anyway, she said, so now that problem is solved.

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TRADE: Sanctions Threat

Continued from Page I

for too long, and the president will act decisively.

Steven Brill of the International Herald Tribune reported from Tokyo:

Japan's chief trade negotiator appealed for calm Sunday after the breakdown of auto negotiations raised the specter of sanctions on Japanese car exports and additional upward pressure on the yen.

Speaking to reporters after returning from the failed talks in Canada, Mr. Hashimoto urged Japan to remain cool after the National Economic Council recommended that Mr. Clinton impose sanctions on Japanese imports.

"It is truly regrettable that the auto trade talks have broken down due to continued insistence by the United States that the voluntary purchase plans be increased and revised," the president of Nissan Motor Co., Yoshimura Itoji, said.

Analysts say Washington's strategy is to squeeze Japanese car companies until they decide to compile "voluntary" procurement plans as well as improve access for foreign vehicles to their dealer networks.

EUROPE



A Ukrainian UN peacekeeper at the Sarajevo airport Sunday carrying a chair to help support the coffin of a colleague who was killed by a sniper.

Investigation Shakes Italy's Crusading Magistrates

By John Tagliabue
New York Times Service

ROME — The magistrates whose corruption inquiries brought down Italy's political old guard have been thrust into the public eye once again, with word that the Justice Ministry is trying to decide whether they can be prosecuted.

The government acknowledged last week that it had

opened an investigation into three years of work by the magistrates to determine whether they abused their office through preventive detention of suspects or by intimidating government inspectors who were sent last year to inquire into their work.

The announcement was a serious blow to the anti-corruption magistrates, whose work has been increasingly hampered

since the resignation of their top colleague, Antonio Di Pietro, in December. In stepping down, Mr. Di Pietro said political pressure had made it impossible for him to do his work.

The government's inquiry illustrates the degree to which investigations have become an instrument of political warfare between right and left as factions position themselves for national elections.

The governing of Italy has been clouded by uncertainty since a center-right entrepreneur, Silvio Berlusconi, swamped by accusations of corrupt business practices in his business empire, stepped down as prime minister in December. Parliamentary elections now seem likely to take place in the fall.

The order to investigate the magistrates was issued last week by Justice Minister Filippo Mancuso, 74, a former judge who took office in January as part of a cabinet headed by Prime Minister Lamberto Dini. But the decision was announced not by him but by Tiziana Maiolo, a lawmaker in the Forza Italia party of Mr. Berlusconi, who leads the center-right forces in Parliament.

Mr. Berlusconi's government first sent inspectors to investigate the anti-corruption magistrates at their Milan headquarters last year.

The suspicion now, as then, is that Mr. Berlusconi is seeking to blunt the impact of the corruption investigations, which in recent months have focused ever more closely on his corporate empire, Fininvest.

On Wednesday, magistrates in Naples announced that they had detained a former executive of Fininvest on suspicion of corruption, though he was later released.

Although Mrs. Maiolo disclosed the Justice Ministry's action to the press, Mr. Mancuso's ministry refused to confirm the report until late Friday — and then only after the minister was admonished to do so in a phone call from President Oscar Luigi Scalfaro.

Since the investigations began in February 1992, thousands of politicians and busi-

nessmen have been questioned and more than 700 sent to trial in connection with bribes paid for government contracts.

Because of the slowness of the judicial system, no one has begun serving a jail term as a result of a conviction.

Serbian Shells Kill 9 in Sarajevo

15 Seriously Injured in Heavy Mortar Attack

By John Pomfret
Washington Post Service

ZAGREB, Croatia — Bosnian Serb forces shelled a Sarajevo suburb on Sunday, killing nine people in the worst attack on that UN-designated "safe area" since an often violated four-month cease-fire expired last week.

United Nations officials said initial assessments showed the Serbs fired 120mm mortars from within territory they control. A UN resolution has banned these weapons from use around the Bosnian capital since February 1994.

The officials said that no consideration was being given to asking NATO to strike back at the Serbs. UN Security Council resolutions give the UN mission in Bosnia the right to use NATO air power to protect the city. So far, NATO power has been used around Sarajevo only to stop Bosnian Serbs from deploying heavy guns.

The attack on Sarajevo and the suburb of Butmir, in which 15 other persons were reported seriously wounded, fit with the predictions of many UN officers that after the UN's failure to extend the cease-fire, the Serbs would increase their pressure on the Bosnian Muslims and Croats.

Since the cease-fire expired, Serbian forces in Bosnia and Croatia have shelled civilians in the northwestern Bihać pocket daily. One UN spokesman called the Bihać attacks, which narrowly missed the town's

crowded hospital two days ago, "murder."

In addition, the recent defeat of Croatian Serb forces by the Croatian Army is also expected to increase pressure on Croats living in Bosnia. Last week, Bosnian Serb forces shelled the mostly Croatian pocket of Orasjë northwest of the Serbian-held city of Brcko.

And on Sunday, masked Bosnian Serbs used mines to blow up a Roman Catholic church and monastery in the Serbian-held city of Banja Luka.

The church bombing spread fear among the remaining Croats in the town.

Bosnian Urges Response

Prime Minister Haris Silajdžić of Bosnia demanded that the international community either respond to the Serbian attack or the Sarajevo suburb or allow Bosnia the right to buy arms to defend itself. Agence France-Presse reported from Sarajevo.

"Our question to the international community is: Are they going to do something about this or are they going to let us do something about it?" he said. If Security Council members or countries in NATO do not respond forcefully, he argued, then they should lift the arms embargo.

Chechen Chief Says Moscow Can't Hide War From Allies

The Associated Press

GROZNY, Russia — In a clandestine TV broadcast, the Chechen rebel commander told viewers here that Russia could not hide the war in Chechnya from dozens of world leaders visiting Moscow to celebrate the World War II victory.

"It's not possible to delude Clinton and the world; there's a war going on here," said the Chechen commander, Aslan Maskhadov, referring to the U.S. president, Bill Clinton, in a poor-quality, two-hour videotape shown Saturday and bearing a May 3 date.

It was not clear where the broadcast originated, but it is another sign that Russia's declared control of Chechnya — even its bombed-out capital — is shaky. Russia's five-month-old military campaign to end Chechnya's self-declared independence is high on the list of concerns Mr. Clinton plans to raise with President Boris N. Yeltsin at a Moscow summit meeting this week.

Fighting has continued, and the top Russian commander, General Mikhail Yegorov, said Sunday that Russian forces under attack would not hesitate to fire on civilians if there were rebel fighters in their midst.

No,
it's not where you might think...



U.K. Tory Leader Maps Plan to Rally Backers

Reuters

LONDON — Prime Minister John Major began a desperate fight Sunday to win back the hearts and minds of voters after a big defeat in local elections.

Mr. Major asked party officials to set up meetings across Britain for him to talk with Conservative Party members, dispirited and angry after Thursday's rout. But he said he would not change his policies to win over the electorate.

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TURKEY

European Union events scheduled for Monday:

PARIS: The European Commission president, Jacques Santer, meets with Prime Minister Jean Chrétien of Canada on strained EU-Canadian relations.

MADRID: The EU commissioner for industry, Martin Bangemann, holds talks with the Spanish minister for telecommunications, José Borrell, and the Spanish minister for industry, Juan Manuel Eguiaarray.

HELSINKI: The EU commissioner for the interior and justice, Anita Gradić, meets with Prime Minister Paavo Lipponen of Finland and Finnish government ministers.

BRUSSELS: The European Parliament celebrates the 50th anniversary of the end of World War II and the 45th anniversary of the Schuman declaration, which launched the European Coal and Steel Community.

BRUSSELS: Euro-Citizen-Action-Service opens a medical hot line.

Sources: Agence Europe, AFP.

Remembering 1945: **Deliverance or Abasement?**

Mr. Kohl and a soldier Sunday after a commemoration at St. Paul's Cathedral in London.

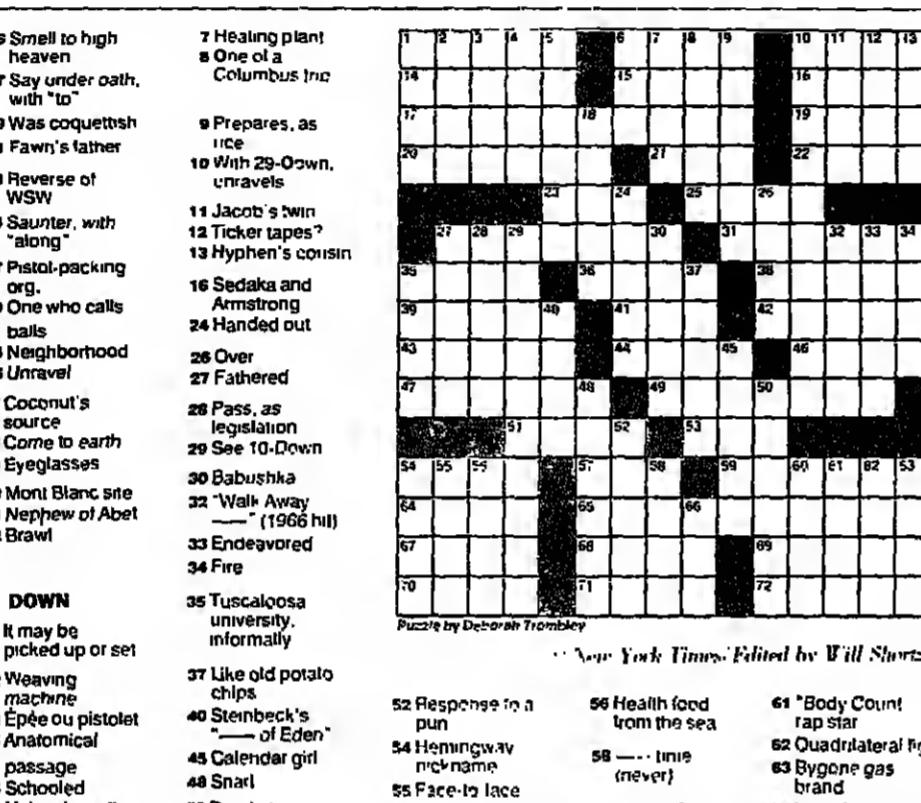
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ACROSS

- 1 Fold of cloth
- 2 Amo. —, amat
- 3 Put a lid on
- 4 Oats for horses
- 5 Main artery
- 6 Came to earth
- 7 Unravel
- 8 Brings up the rear
- 9 Come into view
- 10 O'Hare abbr.
- 11 Luxuriant, as vegetation
- 12 Sacred

Solution to Puzzle of May 3

WYATT	TEARP	CABS
HORSES	SHOE	SARAH
INTENTION	KLIN	MIS
PAINT	DILATE	KITT
LINE	COLLSUP	MAPLE
MOONS	FIRESTONE	PILLO
PILLO	SIXTY	TOOL
SOPHOCLES	NEPAL	STUROY
EXAMS	MARSHA	PUUTT
ASSAILS	ZEUS	ROT
STURROY	PUUTT	ROT
PASIE	OALAL	LAMA
IVIES	OSULLIVAN	NEBBO
NEBBO	GOSSIPING	

CROSSWORDBy Rick Atkinson
Washington Post Service

BERLIN — Like so many of his fellow Germans before the apocalypse of 1945, Hans-Jürgen Habenicht was a devoted Nazi. Like so many after the war, he endured the misery and humiliation of defeat.

And like so many today, Mr. Habenicht has long grappled with the meaning of May 8, 1945, sifting through a half-century of accumulated pain and wisdom to gauge whether the commemoration on Monday of the 50th anniversary of the end of World War II in Europe should mark Germany's deliverance or Germany's abasement.

"Liberation lay only in annihilation," said Mr. Habenicht, 66, a retired Berlin banker who ultimately became a staunch democrat.

"Certainly most people didn't see it as a liberation at the time. What we think and feel now about the war's end is not what we felt in 1945. Then, for me, a world without Hitler and National Socialism was simply not imaginable."

"I believe May 8 for many

has become a kind of search for their own identity," added Mr. Habenicht, who, as a 16-year-old Hitler Youth leader, prowled through the wreckage of central Berlin shooting at Soviet tanks before being captured.

"We're looking now for the roots: Where did we really come from? Why did it all happen?"

The long prologue to the ceremonies on Monday marking the end of the war in Europe has stirred deep introspection and broad controversy throughout Germany. This has been a season of conflicting emotions and contrasting images: For every commemoration of a liberated concentration camp, like Dachau or Bergen-Belsen, there has been a corresponding remembrance of an obliterated German city, like Dresden or Nuremberg.

Although Germans for two decades after the war retreated into numb silence — a "cold and empty forgetfulness," in the words of the philosopher Theodor Adorno — that gradually yielded to a remarkably open examination of the Third Reich by a postwar generation determined to get at the truth. In contrast to their erstwhile Axis partners in Japan, German leaders have apologized profusely and repeatedly for the catastrophe of World War II.

Two-thirds of Germans alive today were born after 1945; for most, it has long been political

ly correct to consider the Allied victory as a liberation not only of a Europe enslaved by the Nazis but also of a Germany in thrall to its own militant nationalism.

Yet, this majority view has been challenged recently by conservatives who insist that Germany's ordeal after the war

Nazi government but also the beginning of the terrors of expulsion and new oppression in the East, and the beginning of the division of our country," the document declared.

Even Wolfgang Schäuble, parliamentary leader of Chancellor Helmut Kohl's Christian Democrats and a possible Kohl successor, criticized "the guardians of political correctness patrolling the fences in our taboo zones and jumping on anyone who dares to express his own opinion."

Such revisionist thinking has provoked outraged howls. The German conference of Roman Catholic bishops, for example, fired back with a 10-page statement denouncing the manifesto and warning citizens not to distort history. The backlash forced conservatives to cancel their own commemoration, which had been planned for Sunday in Munich.

Yet, the ambivalence remains, if for no other reason than that the anniversary has opened a floodgate of memories from those who survived the undeniably awful privations of a half-century ago: women who were raped by marauding Axis soldiers; children whose fathers never returned from Soviet prisoner-of-war camps; East Prussians who were driven from their homes in an ethnic purge.

Mr. Kohl, who has long touted Germany's defeat as a necessary prelude to democracy and

prosperity, observed in a newspaper interview last week, "When old women talk 50 years later about being raped, you can't expect them to see this as the hour of their liberation."

The chancellor, however, has urged his nation to remember that Germany reaped what it had sown.

"There is no collective guilt," Mr. Kohl said in the interview. "But any young German who stands at Yad Vashem or the cemetery in St. Petersburg — unfortunately, I could name many such places — cannot say this does not concern him." Yad Vashem is the Israeli Holocaust memorial.

Edmund Stoiber, the conservative premier of Bavaria, noted a week ago at a ceremony honoring the liberation of Dachau: "The concentration camps represent the greatest moral degeneracy in human history. There is no way we can avoid confronting Germany's darkest chapter."

For a new generation, though, there are signs that enough is enough. A Forsa poll of Germans from age 14 to age 21, published in *Die Woche* newspaper reported that 79 percent of those surveyed see May 8 as a day of liberation, while only 11 percent see it as a day of defeat.

But the respondents were evenly split on where to go from here.

A Symbol of Jewish Life Reopens in Berlin*Washington Post Service*

BERLIN — With its golden dome gleaming like a beacon from the past, Berlin's New Synagogue, once the largest in Germany and a symbol of the thriving Jewish community nearly extinguished by the Nazis, was reopened Sunday night in a ceremony as a triumph over intolerance and barbarity.

The ceremony was surrounded by extraordinarily tight security and battalions of policemen, including sharpshooters in ski masks atop the adjacent roofs. Earlier in the day, arsonists threw firebombs at a synagogue in the northern port city of Lübeck; there were no injuries and damage was slight, but it was the second attack on the temple in two years.

In other rightist incidents over the weekend, which the police said were evidently intended as a protest against this week's VE-Day ceremonies, more than 100 grave-stones were desecrated in a Berlin cemetery reserved for Third Reich victims and

the police in Potsdam broke up a gathering of skinheads chanting "Sieg Heil!" and singing Nazi anthems.

The incidents were promptly denounced by German politicians, and Ignatz Bubis, chairman of Germany's Central Council of Jews, dismissed the culprits as "black spots against a white background."

The dedication ceremony in central Berlin, on the eve of the 50th anniversary commemoration of the end of World War II in Europe, was attended by 3,000 invited guests, including Chancellor Helmut Kohl and President Roman Herzog.

"Today, with this rededication, we are looking especially to the future," said Jerry Kanal, leader of the city's main Jewish organization. "We want to fill this building with Jewish life."

For now, the building is filled mostly with mementos of a Jewish life that no longer exists. One floor houses an exhibit tracing Jewish history in Berlin through

the Holocaust; another contains displays about the New Synagogue, including battered reliquies pulled from the ruins after reconstruction began in 1988.

Although a small worship room has been included on the top floor, the vast prayer hall that once seated 3,200 people has not been rebuilt in part because Berlin's Jewish population of 10,000 could not yet support such a structure. The so-called Centrum Judaicum, housed in the front portion of the New Synagogue, is intended primarily as a museum and cultural center.

Many in Berlin hope the New Synagogue will provide a stout pillar upon which to build.

"It's important in representing history, representing Jewish life here as it was before that terrible disaster of the Third Reich," said Amnon Barzel, director of the Jewish Museum now under construction. "With this synagogue you can see how central the role of Jewish life was in the community here." — RICK ATKINSON

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just as important?For that little voice inside
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utility vehicles like our highly
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impress only yourself.Impress yourself

CREATING TOGETHER

My mother wanted me to have piano lessons.

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My teacher wanted me to become a lawyer.

My wife wants me to stay at home.

So here I am.

Remembering 1945/A Pageant in Hyde Park

Q & A: War History and Guilt

Germany's Catholic Bishops and V-E Day

To mark V-E day, Germany's Roman Catholic bishops issued a statement opposing attempts by some nationalist politicians and intellectuals to " relativize or play down the facts" of German guilt before and during World War II. Rainer Ilgner, a theologian and deputy secretary of the bishops' conference, discussed the statement with Barry James of the International Herald Tribune.

Q. Why did the bishops find it necessary to issue this statement now?

A. Because 50 years is a very important time for individuals and society to look back on their history. The German bishops first made a statement at the end of the war in 1945. They have several times issued such public declarations to help German society establish a correct relationship to its own past.

Q. Some Germans are describing May 8 as a day of liberation from tyranny rather than of defeat, as though playing down the country's guilt.

A. I think these are false alternatives. To look back now as though liberation and defeat were mutually exclusive opposites is a narrow vision. In our statement we deal with both aspects. We recall the bombing, the violence and the death of millions of people. Anything that ends such suffering is a kind of liberation. On the other hand, we noted what the Germans did to other peoples, outside the country and inside. This question of guilt is the other side of the coin.

Q. Is it true that many younger Germans feel there is no link between themselves

and the sins of their fathers, and that they want to get on with life without this shadow of guilt hanging over them?

A. I would not say many. Youth in Germany has had more and better information

Most of German youth is not divorced from its own history.

and education about the facts of its own history than in most other countries. I have the impression that most of German youth is not divorced from its own history.

Q. Is there still a difference in attitude in Eastern Germany?

A. Yes. The main goal of socialist education from the very beginning of the German Democratic Republic was to show that the anti-fascist movement had founded the system, and was therefore not guilty or responsible for the past.

Q. Is this attitude changing?

A. I think so, yes.

Q. What is the attitude of the bishops about the church's own role during the Nazi years?

A. Again we have a double perspective. On the one hand, we want to underline that the Catholic Church was always in opposition. You will never find an example where National Socialist ideas and Catholic ideas were compatible.

The Catholic church played a very important opposition role. A high proportion of the Catholic people

went to Mass rather than to party or state events and this was considered a sign of resistance. We also know historically that 12,000 Catholic priests, which means every second priest in the 12 years of the Third Reich, got into trouble with the system, and not a small number paid the ultimate price. The church really was a factor that could not be integrated into the system, although the regime tried to make it. On the other hand, the church sometimes lacked courage, and missed opportunities to oppose things that happened outside the church. Catholics were very strong in claiming their own rights, but where others were concerned, they did not show the same intense opposition. We say that in our statement.

Q. The bishops said that Germany still faces disturbing questions 50 years later. What are they?

A. Things such as the hostility against foreigners and people of other languages, culture or religions. We are also troubled about the tendency toward a lack of social responsibility due to growing individualism.

Q. Do the bishops feel the church has done enough to redress its own failings?

A. Again, I would like to underline that in 1945, long before other groups had made such a reflection, the Catholic bishops denounced the lack of courage within the church.

We quoted a central part of that declaration in our new statement to show that what our bishops are saying now is not something new, but part of a line of reasoning that has been followed for a long time.

British Have Party To Mark War's End

Veterans and Leaders of 60 Nations Gather in Hyde Park for 'Last Time'

By Fred Barbash
Washington Post Service

LONDON — The people who fought and won World War II — on the homefront and on the battlefield — joined with their children and grandchildren and the leaders of 60 nations on Sunday for the first of the great commemorations of the 50th anniversary of the Allied victory in Europe.

Many came in wheelchairs or leaning on canes, or on the arms of their comrades, friends or relatives. Others paraded in slowly, to old marches played at a gentler tempo: retired soldiers of the army, the Royal Marines, the Royal Air Force, and the Royal Navy, the women's units, the fire brigades, the air raid wardens, the nurses, and the last few survivors of the wartime Women's Royal Voluntary Service, once a million strong.

The oldest among them seemed aware that such a day as this can never come again; that for them, "this is the last time," as Boyland Henry, 78, a retired Royal Marine, expressed it.

From them came a simple message, best spoken by Violet Banford, 76, a women's army corps veteran, as she stood with her friends on the grass at Hyde Park:

"When you get home," she said, "tell 'em of us."

The three-day ceremony here, which ends Monday, on VE-Day, is the biggest party Britain has thrown since the 1952 coronation of Queen Elizabeth II. A million people, including Vice President Al Gore and Chancellor Helmut Kohl, are participating in Hyde Park.

Hundreds of smaller parties will continue around Britain as the dignitaries move on to commemorations in Paris and Moscow.

At the end of Sunday's events, the leaders of the nations represented here were each escorted to a huge globe by small children, and standing under it, beside the flag of his nation, one by one, signed their names on olive leaves.

The park itself was a pageant of memories. People jitterbugged to "In the Mood."

which somehow blended with the choir 200 yards away singing "Danny Boy," which somehow sounded good with the bagpipes accompanying the Scots Guards, all of which was accompanied by the low moan of a 1940's air raid siren.

All this was followed by a symphonic and choral international tribute, to allies and former enemies alike: Bernstein, Bizet, Borodin and, yes, Beethoven, the final movement of the Ninth Symphony. The sound of the chorus filled central London.

Presiding over the events has been Queen Elizabeth the Queen Mother, 94. Called the "Queen Mum" by everyone here, she is regarded with enormous affection as the living symbol of Britain's wartime struggle, which, she reminded her audience, excluded no one.

"This day will bring back memories for many people," she said. And "God bless them all."

The youngest here got a glimpse of what their forebears here had been through a half-century ago. Aloft above Hyde Park floated a huge balloon, one of the last of the kind used to confuse incoming bombers and rockets during the Nazi blitz of Britain. Reconstructed on the ground was a replica of an air raid shelter, where millions spent their nights for four years, when Britain was "a nation under siege," as the sign at the entrance says.

The old soldiers all bad war stories to tell, of battles lost and won, of ports near and far. "I joined up right away," said Boyland Henry, bedecked in battle medals. "Malta, Crete, all over the Mediterranean." While many of those at Sunday's ceremony came as part of organized units, Mr. Henry said he "came down on my own. I just wanted to be here. There will never be one like this again."

See our
International Recruitment
every Monday



KING TO THE RESCUE — Albert II of Belgium, backed up by Prime Minister Jean-Luc Dehaene, giving a hand to Baron Block, head of the Belgian Jewish Committee, who fell during ceremonies Sunday marking the liberation of a concentration camp at Mechelen.

Royal Sideshow Is Concluded With a Kiss

The Associated Press

LONDON — Mostly, they ignored each other. But on Sunday, Prince Charles kissed his estranged wife.

It was only a peck on the cheek, and it was witnessed by their two sons and press photographers.

But it was a rare show of affection between the prince and princess, who separated in December 1992.

Charles had already kissed his two sons, Prince William and Prince Harry, good-bye at the end of a ceremony marking the 50th anniversary of the Allied victory over Nazi Germany.

Then, he leaned across and kissed Diana, with whom William, 12, and Harry, 10, were spending the holiday weekend.

Throughout the hourlong ceremony in London's Hyde

Park, the prince and princess had spoken few words to each other and seldom made eye contact.

William sat between them.

It was the first time that Charles and Diana had appeared together in public since they attended church on Christmas Day near Sandringham, the royal residence in Norfolk, about 100 miles (160 kilometers) north of London.

Swiss Voice Regret for Turning Back Jews

BERN — President Kaspar Villiger of Switzerland asked Sunday for his country to be forgiven for turning away thousands of Jewish refugees from Nazi Germany.

His remarks came in a speech

to a special session of the Parliament commemorating the end of World War II, in which Switzerland was neutral.

"For me, it is beyond doubt that the policy followed by the

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INTERNATIONAL

U.S. Asks of Russia: Who's in Charge?

By Steven Erlanger

New York Times Service

MOSCOW — Chechnya, NATO expansion and Russian nuclear reactor sales to Iran hang over the Russian-American summit meeting this week as the great irreconcilables. But the prominence and stickiness of the issues have their source in the disorganization and confusion of a still young Russian government that is both prime ministerial and presidential, and that has no delineation of where responsibilities lie.

American officials do not always like Russia's new, more assertive and nationalist policies, but what they particularly dislike is not knowing at any moment what those policies are — and who speaks for Russia and President Boris N. Yeltsin.

It is the main reason why so little has been seen up in advance, unlike the usual pattern of summits, and why the Americans are relying so heavily on President Bill Clinton's meeting with Mr. Yeltsin.

Mr. Yeltsin himself is widely understood to be an intermit-

tent player these days. Russian officials and Western diplomats say. He ducks in and out of issues, orders decrees that may contradict the policy of his government, sees very few outsiders and is heavily reliant on a group of loyalists, with narrow experience and conservative views, who have proved their devotion in the past.

They are based in the huge presidential bureaucracy and control the unelected National Security Council, a kind of personal politburo that is dominant on military, security and sometimes economic issues, quite separately from the government of Prime Minister Viktor S. Chernomyrdin.

But Mr. Yeltsin, who looks and acts more like a party general secretary or czar these days than a populist democrat, remains the final arbiter.

Sometimes even his orders and decrees are ignored. But if Mr. Yeltsin should decide to cancel the sale of reactors to Iran, as Washington wants, or more likely, alter the contract to mollify Mr. Clinton, it will be done. Mr. Yeltsin, while going

ahead with the sale of light-water reactors to Tehran, is expected to ensure that no gas centrifuge is sold, that there is more international oversight of the reactors and perhaps less training of Iranian nuclear scientists in Russia.

But no one really knows. And the difficulty, both for the Americans and the Russians, is how to reach Mr. Yeltsin with the right information.

Mr. Yeltsin's aides, like Georgi Satarov and Mark V. Yurnov, the head of his Analytical Department, say that he is not "isolated" from the main currents of life and policy. But at the same time they freely admit that for months they have been working on a better institutional mechanism to get important information to the president and ensure that he sees it.

The issue of NATO expansion is a good example of one part of the Russian government's not knowing what another part is doing. The foreign minister, Andrei V. Kozyrev, kept reassuring the Americans that NATO expansion to Russia's borders would be all right

as long as it was slow, which it would be in any case.

But Mr. Yeltsin does not want to be embarrassed by his political opponents on nationalist grounds, especially on the 50th anniversary of victory in World War II, and he fears isolation from the rest of Europe in a new strategic architecture. He recently slapped Mr. Kozyrev down hard, accusing him of trying to "make policy, while misleading the Americans."

It was a copy of what happened in December, when Mr. Kozyrev's assurances to Washington that Russia would participate freely in NATO's Partnership for Peace were quashed publicly and bitterly by a Yeltsin attack on Mr. Clinton in Budapest, when the Russian warned of a "cold peace."

The relationship between the two has not really recovered from that surprise, officials on both sides say. But the reason once more was internal confusion, with the more conservative loyalists around Mr. Yeltsin getting to the president and undermining Mr. Kozyrev.

The disorganized, brutal invasion of Chechnya, an action widely condemned for abuses of human rights, also stemmed from decisions made by the National Security Council. It was a last-ditch solution, arrived at without government discussion, and Mr. Chernomyrdin distanced himself from the debacle as fast as he could.

So where does this leave U.S. officials? "Waiting and seeing," one said. "Hoping Yeltsin means it when he promises Clinton a successful summit."



Alexander Keck/Agence France Presse

An Ethiopian police officer guarding a polling station Sunday in Nazret, south of Addis Ababa, the capital.

Ethiopia Votes on System Allowing Secession

New York Times Service

A history of civil war, dictatorship and famine.

"Ethiopia is recognizing ethnicity for what it is — a very powerful issue," said a Western diplomat. "They are sitting on an ethnic time bomb. They have come up with a possible solution, which is to tackle it pre-emptively. It is a frightening experiment. Will it work? I don't think anybody knows."

Four of the seven national political parties boycotted these regional and national elections, saying the process is

unfair, so the results are a foregone conclusion. A landslide is virtually inevitable for the governing Ethiopian People's Revolutionary Democratic Front.

But diplomats say the election represents a critical crossroads after two decades of dictatorship and civil war. Three years ago, rebels overthrew a Marxist government and committed themselves to democratic rule, stability and peace. But in practice, democracy remains elusive. If the approach does not work, it could spell disaster.

WAR: Europeans Consign a 75-Year Era of Bloodshed — From 1914 to 1989 — to History

Continued from Page 1

will stand with some 7,500 guests to review a parade down the Champs-Elysées. In Berlin, Chancellor Helmut Kohl will lead a subdued commemoration of the surrender, emphasizing it as a day of liberation for Germans also.

This year, the events have struck an ecumenical tone, with Queen Elizabeth II taking note of the suffering of Germans after the war and Mr. Kohl telling his countrymen that Germany should consider establishing a special day of commemoration for all Nazi victims.

"What strikes me is there's a strong element of commemoration as well as celebration," said Martin Gilbert, Winston Churchill's biographer and author of dozens of books on 20th-century history. "There's a much heightened awareness that what happened in the war was horrific and that what we are commemorating is the end of a dark night."

"Potsdam froze everything," he said, referring to the July and August meetings of Allied leaders that formalized the division of Europe.

When Mr. Clinton and Prime Minister John Major meet Mr. Yeltsin in Moscow, he said, it will be almost as if Truman and Churchill and Stalin, the participants at the Potsdam Conference, "are meeting without the intervening years having imposed their terrifying cost."

The commemorations themselves have fed into what some call the "parenthesis" interpretation of the century — that the key dates are 1914, when World War I broke out, and 1989, when the Berlin Wall fell, and that these dates stand like bookends to contain the events of defining significance.

"Obviously 1989 is the great turning point of the century," said Sir John Elliott, Regius Professor of Modern History, Oxford. But he disputed the notion that the entire 75-year stretch centered only upon war.

"I asked myself: Why on earth are we putting on this great to-do?" he said. "Anyone under the age of 60 can really have no memory of that period. I cast my mind back to the 1920s when my uncles talked about their time in the trenches. And it meant absolutely nothing to me."

"Then I realized that what is in fact being celebrated is not the end of World War II but the end of World War III and the realization that it was won without a shot being fired. That's why we're celebrating now as if it happened yesterday. In 1969 people would not have thrown their hats in the air because we were in the middle of the Cold War."

Some historians believe that the 20th century will be seen as a time of unparalleled savagery, comparable perhaps to the Thirty Years War from 1618 to 1648 when mercenary armies roamed Europe, battering on the civil population with a brutality not seen before.

Arthur M. Schlesinger Jr., the chronicler of Kennedy and Roosevelt, suggested that the World War II victory had rescued the century from that abyss.

"Yes, this is a century of indiscriminate violence," he said. "But 500 years from now people looking back at this century,

what will strike them is that this was when the exploration of space began and the microchip was invented. People won't remember Hitler, Stalin, Churchill and Roosevelt."

Will the century go down as the worst one ever? "That depends on the next century," said Lord Dacre, formerly Hugh Trevor-Roper, author of "The Last Days of Hitler" and editor of papers by Hitler and Goebbels. "The 17th was pretty bad, though the killing was not so extensive. I think the only answer is to wait 100 years from now and we'll find out."

Alan Borg, director of the Imperial War Museum, was confident that the pure "scale and indeterminacy of the spreading destruction" in the 20th century was "something quite new to the world."

He was not optimistic that things would improve.

"As someone running a museum that deals in war," he said, "I regret to say there is no sign of my subject dying out."

In Hopeful Sign for Peace, Angolan Rivals Meet

Washington Post Service

Although no substantive agreements are believed to have been reached, the meeting Saturday was hailed as a breakthrough by international diplomats, who had made it an unofficial condition for deploying 7,000 UN peacekeeping troops to Angola to oversee the unification of rival armies and the creation of a

coalition government. The first UN infantry battalions are expected to arrive later this month.

The meeting Saturday was the first between Mr. dos Santos and Mr. Savimbi since the last days of a 1992 presidential campaign meant to be the culmination of an earlier peace initiative.

CHIRAC: Winner's Campaign Aide Says, We Need Some Quick Fixes'

Continued from Page 1

come a focus of popular concern. But many people in political and business circles fear the risk of a "third round," meaning postelection protests and strikes about wages, social protection, minority rights and other causes that bubbled up during the campaign.

That could bog down the Chirac government in worsening difficulties and blunt its ability to make the changes that most leaders believe the country needs.

Mr. Chirac's victory margin, by itself, is not a problem: His result of more than 52 percent is better than the 50.8 percent margin enjoyed by Valéry Giscard d'Estaing in 1974 and virtually identical to the result that brought to office Mr. Mitterrand as its first Socialist incumbent. Both men were bold reformers in their first years as president.

But the campaign provided few answers about this or other major preoccupations, including the current wave of corruption scandals involving government and business, the bankruptcy of the health care system, or the need to rethink the path of European integration.

Mr. Chirac has criticized Prime Minister Edouard Balladur for clinging too tightly to the need for a strong French currency, even at the cost of high interest rates that slowed investment and job creation.

The new government has the authority

to push major reforms in business practices, state-run health and retirement systems, attitudes toward the large Muslim immigrant community, and relations with Germany and the United States.

Mr. Chirac, as president, starts off with a conservative Parliament, but the leftist opposition in the country has been reinvigorated by Mr. Jospin to a point that few people would have thought possible before the campaign.

So, Mr. Chirac can expect the opposition, including trade unions, to press their campaign for wage increases. And it remains to be seen how well the new conservative government can neutralize its own ultralright wing, led by Jean-Marie Le Pen.

In France's political system, force of personality can still count as a factor of legitimacy: Mr. Mitterrand chose to stay in office despite being disavowed twice in legislative elections.

FRANCE: Chirac Beats Jospin for President, Ending the Socialist Reign

Continued from Page 1

will be at the side of Mr. Mitterrand, who is closing out his tenure with ceremonies at the Arc de Triomphe marking the 50th anniversary of the end of World War II. The celebration will be attended by more than 60 foreign leaders.

The presidential transition is expected to take place quickly. Mr. Mitterrand, 78, who is suffering from advanced prostate cancer, has expressed his desire to close his stump speech, he said.

In a sign of reconciliation, Mr. Balladur offered his congratulations and promised that he and those who supported his bid for the presidency would now align them-

selves fully behind Mr. Chirac's leadership.

Mr. Chirac waged an energetic, five-month campaign under the slogan "France for All," traveling more than 15,000 miles around France trying to persuade voters that he represented a force for change. In his stump speech, he argued that "French society was more divided and dangerous than ever."

He condemned the Socialists for their record in power, but also criticized Mr. Balladur for failing to take bolder measures that would heal the divisions in society and shake the economy out of the doldrums.

Along the way, Mr. Chirac projected himself as a candidate who had diagnosed France's maladies and would promote social reform from the vanguard of his ruling conservative coalition. But doubts persisted about his convictions for social change, since in the past he has championed a free market revolution like that of Ronald Reagan and Margaret Thatcher.

Despite a day of brilliant sunshine, the level of voter participation fell short of

previous presidential elections. Nearly 20 percent of France's 40 million eligible voters abstained, some of them apparently heeding the advice of Jean-Marie Le Pen, the leader of the far-right, who told his supporters to show their disdain for both candidates by casting blank ballots.

■ France and Bonds Rise

The French franc and the Paris bourse both rose Sunday after Mr. Chirac won, Agence France-Presse reported.

Banks had opened from 8 P.M. to 10 P.M. to register the first reactions of operators using the Globex electronic trading system. The franc closed at 3.54 against the German mark, up from 3.5735 at Friday's close.

On the bond market the Pibor index, registering the three-month rate, rose to 93.12, equivalent to an interest rate of 6.88 percent. Brokers stressed that the movements were recorded on a flat market with few foreign investors involved.

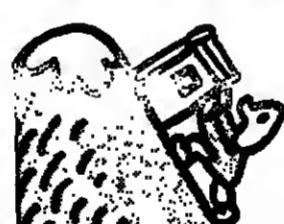
Futures options on the CAC-40, the main stock index at the Paris bourse, rose two percent in light trading on Globex dealers said.

BOOKS

WHAT THEY'RE READING

• Alain Levy, chief executive of the record company PolyGram, has written a memoir, "My Life in Music," due in October.

"I have been carrying it around forever. It is difficult to get through as his writing is very dense, but it is a very bright book." (Erik Jepsen, IHT)



long-lost father. Skeptical at first, she becomes intrigued with this mysterious stranger, who treats her with a kindly yet oddly proprietary air.

Much to her own surprise, she agrees to accompany him on a quixotic trip to Europe, a journey, it turns out, in search of the love of Carriscant's life, the woman for whom he abandoned his mother.

The story that Carriscant tells of his early life is a violent tale of love and death and war, set during the turn-of-the-century hostilities between Philippine nationalists and the United States.

As Carriscant tells it, his orderly life was interrupted by two developments: a series of violent murders in the city that required his services as a kind of coroner, and his fatal meeting with a beautiful married woman.

Carriscant's affair with that woman, Delphine Sieverance, is intense and passionate, and it makes him long to leave Manila with its small-town, provincial mores. Slowly, an elaborate and dangerous plan of escape evolves in his mind. It is a plan that will determine, forever, the shape of both their lives.

Melodramatic as these events may sound in summary, Boyd relates them with such authorial verve, such complete narrative assurance, that they quickly take on an inevitability that sweeps the reader's doubts away in its path. Whereas his earlier novels sometimes suffered from an air of contrivance — a sense that the author, playing God or master puppeteer, was not so gently manipulating his characters' fates — "The Blue Afternoon" is a novel that fulfills all the promise of Boyd's earlier books, a novel that attests to the full manuration of his talents.

One day an elderly man named Salvador Carriscant strolls into Kay's stripped-down, emotionally economical life and announces that he is her

THE BLUE AFTERNOON

By William Boyd. 367 pages.

\$23. Alfred A. Knopf.

Reviewed by Michiko Kakutani

F ROM the very start of his precocious career, William Boyd demonstrated all the hallmarks of a natural storyteller. Although highly funny, "A Good Man in Africa" (1982), displayed a remarkably assured sense of comic timing, combined with a talent for creating a memorable gallery of eccentrics, twists and self-deluded fools.

His next novel, "An Ice Cream War" (1983), extended his emotional range to embrace compassion and moral seriousness.

BRIDGE

By Alan Truscott

MICHAEL POLOWAN

and Marc Jacobson were

North-South on the diagrammed

deal from the semifinal of the

Vanderbilt Knockout Team

Championship. Looking at the

North-South hands only, six

clubs appear a shaky proposition.

But it becomes better when there has been some re-

vealing bidding by the opposition.

South ventured a sub-minimum opening of one club, and West had to decide whether to take action with a balanced 12-point hand. He was also in the mood to bid, and contributed a takeout double. North redoubled, and East leapt to three spades, showing weak hand with distribution.

Whether North's bid of four clubs was technically forcing is a debatable point. South treated it as such and continued to five clubs. Now Polowan persevered to six clubs, conscious that the bidding would guide his partner in taking finesses.

CAPITAL MARKETS ON MONDAY

Lost Active International Bonds

1,250 most active international bonds traded through the Euroclear system for the week ending y 5. Prices supplied by Telekurs.

Name Ccy Maturity Price Yield

Name Ccy Maturity Price Yield

Australian Dollar

Treas of Vict. 8+ 10/15/03 89.4250 4.2100

Germany 6+ 02/28/97 102.0550 6.3700

Germany 5+ 04/23/06 100.5700 5.7000

Treasury 11/15/03 76.5000 5.4400

Austrian Schilling

Germany 6+ 02/28/97 102.0550 6.3700

Germany 5+ 04/23/06 100.5700 5.7000

Treasury 11/15/03 76.5000 5.4400

American Dollar

IFC Corridor zero 07/15/00 64.7500 6.3900

Swiss Krona

Germany 7 12/15/94 89.3000 7.2200

Denmark 5 05/15/03 94.8500 6.3700

Denmark 9 11/15/03 101.1500 8.9000

Denmark 7 05/15/03 102.0550 6.3700

Denmark 7 05/15/03 102.

SHORT COVER

Italy Inflation Rises to 5.2% in April

ROME (AFP) — Italy's inflation was 5.2 percent in April, compared with April 1994. Istat, the Italian statistical institute said Saturday. Prices increased 0.5 percent from March.

The latest increase provides evidence that Italy's inflation rate is heading upward, at least partially because of the lira's fall, Istat said.

The sharpest price increases over March were in housing, up 1.5 percent, and clothing which rose 0.7 percent.

Nintendo Delays Game's Premiere

SEATTLE (NYT) — Nintendo of America Inc. said its Ultra 64 video-game player would not be ready in time for the 1995 Christmas season.

Instead, Nintendo said Friday that it would introduce the new machine in April 1996.

Nintendo said that the final chipset for the Ultra 64 had just been completed and that it would unveil the machine at its annual Video Game Exhibition in November in Makuhari, Japan, and at the Consumer Electronics Show in January.

India's No. 1 Steelmaker Diversifying

NEW DELHI (Reuters) — India's biggest steel company, the state-run Steel Authority of India Ltd., facing free market competition for the first time, is diversifying into new areas.

Chairman M. R. R. Nair said the company would move into high-value-added specialty steel products and launch joint ventures for power, cement and shipping projects to increase profitability and turnover in the next few years.

Malaysia Firm Buying Chemical Ships

KUALA LUMPUR (Reuters) — Malaysian International Shipping Corp., the country's national shipping line, plans to focus its immediate expansion plans on the chemical tanker sector, the Business Times newspaper said Saturday.

"At present we have far too many jobs," the daily quoted Managing Director Arifin Aliah as saying. "We should slow down and take stock."

"Our expansion plans now will focus on tankers for chemical, crude oil and vegetable oils."

MULTIMEDIA: Seeking Niches

Continued from Page 13
record companies would rather stay on the ground."

Some musicians might bypass the record giants entirely, issuing their songs over the Internet's Worldwide Web. Frustrated by his record company's refusal to reissue albums by his former group Squeeze, the British rocker Chris Difford speculated that the Internet might function as an ersatz music distributor. "Our fans want an album entirely composed of B-sides," Mr. Difford argued, "but the record company will not publish it. So offering the songs on the Web for a subscription fee would make a sensible alternative."

Persuading Internet surfers to pay for access to information and entertainment has been a major sticking point for the network's commercial potential. "You can't just put up a toll-booth and say, 'Pay here,'" quipped Jane Metcalfe, presi-

dent of Wired, the monthly multimedia bible published in San Francisco.

The magazine's latest venture is an on-line version of the publication called Hotwired that has left its hip print parent in the cyberdust since being launched last October. Subscribing to Hotwired is free, and some 40,000 "subscribers" a day tap into what Ms. Metcalfe prefers to call a cyberstation, not an online magazine. The project is supported by advertisers, who pay around \$30,000 for a site on the cyberstation.

In contrast to television and print media, where advertisers cannot be sure how many people have seen their ads, she said, Hotwired gives advertisers an exact accounting of the number of users who clicked onto the site and what pages they consulted on a multipage promotional package.

Internet address: CyberScapce@ihtlib.demon.co.uk

Trump and Pritzker Settle Feud Over New York Hotel

By Diana B. Henriques
New York Times Service

NEW YORK — Donald J. Trump, the New York developer, and Jay A. Pritzker, the Chicago financier, have settled a long-running legal feud over the management of the Grand Hyatt Hotel in New York, which they jointly own and which the Pritzker family's Corp. manages.

refused to comment on any details. People familiar with documents signed by both sides said the settlement cleared the way for substantial renovations at the convention hotel, which Banks Grand Central Terminal in Manhattan. Mr. Pritzker, while refusing to discuss the litigation, said Friday that he hoped work on the hotel "would begin soon" — although he was not ready yet to announce anything.

According to one person who has seen the details of the settlement, the deal gives Mr. Trump a role in the management of the hotel and in the proposed refurbishing project, compensates him for \$2.4 million in legal expenses, reduces Hyatt's manage-

ment fee and obliges the Pritzkers to advance \$25 million toward the remodeling work.

It also revises certain provisions in the partnership agreement between Mr. Trump and the Pritzkers, with an eye to reducing future friction in what has been an extremely rocky corporate

relationship. The Pritzkers and Mr. Trump have been equal partners in the hotel since its initial renovation in 1979, a project that thrust Mr. Trump into the spotlight as a developer. But the relationship grew stormy in 1991, when Mr. Trump experienced financial difficul-

ties in the rest of his real estate and casino empire.

Those back-room arguments broke into the open in July 1993, when Mr. Trump sued the Pritzkers, contending that Hyatt's management of the hotel had been marred by questionable accounting practices, undocumented spending and inappropriate transac-

tion with affiliated companies.

Hyatt denied any financial improprieties and Mr. Pritzker dismissed his partner's lawsuit as typical of "what kind of partner Trump is." He countered with a lawsuit of his own in March of last year, accusing Mr. Trump of not fulfilling his duties to the

RALLY: Strategists Stay Bullish

Continued from Page 13

decides that a recession is the lesser of two evils. That's not the case. What the Fed was trying to do was to slow things down to a more reasonable rate of expansion.

We expect that there will be profit gains of close to 10 percent next year.

Bull markets typically end with signs of excess in a variety of areas. Is the boom in technology stocks an example?

Mr. Wien: Where do you see it? Intel, which is one of my favorites, is now selling at, at most, 13 times earnings. And that's been one of the leaders in this tech move.

Mr. Sherman: It's not just Intel was too cheap, which it was. People are always worried about the growth margins of Intel, being unsustainably high, and now they've woken up to the fact that they're going to remain unsustainably high for an unsustainably amount of time.

Mr. Wien: Technology is the capital equipment of the 1990s. That's one of the reasons why it may have a more sustaining run than it's had in the past.

Mr. Cohen: We have had a four-year bull market in technology stocks because we have had an elongated period of fabulous fundamental performance on the part of these companies. However, it's important to recognize that the sustainability of the overall bull market will probably require that the leadership broaden out from the technology center into other centers of the market as well.

Mr. Wien: Technology is the most basic cyclical stocks and they are trading very, very cheaply because investors don't want to pay for future performance. I think that will change.

Mr. Wien: The real decision investors have to make is whether they are willing to take a stand on how long the cycle's going to be. I think it'll last at least until 1997. On that basis it's very likely that we haven't seen the peak of cycle earnings yet for the economically sensitive stocks. If you're willing to make that judgment then there

are a lot of cyclical stocks that are very attractive.

Mr. Sherman: The cyclical stocks are cheap. They generate enormous cash flows, and I think as long as the world economy remains in decent shape, the prices for basic raw materials may not go up from here, but they aren't likely to fall much until there's a real honest-to-goodness recession.

Q. Why don't you name a few cyclical stocks since you're all in agreement that cyclical are wonderful investments?

Mr. Wien: I like the aluminum, and I like Alcoa in particular. There are some paper stocks, Bowater and Champion. The autos are very cheap. I like Chrysler and Ford.

Mr. Cohen: Among the commodity-oriented stocks I would prefer something like the aluminum stocks, primarily because they haven't performed very well yet. Alcoa, because of the strong cash-flow generation and the very capable management, kind of sets itself apart.

Q. Nobody has anything good to say about the oil?

Mr. Wien: I have a lot of good to say about oil. My own forecast for the price of oil at the beginning of this year was for it to go to \$25 a barrel and it's gone to \$20. Most portfolios should be at least equally weighted in oil. You have a very unstable situation in the Middle East, with an increasingly well-armed and impatient Iran and a Saudi Arabia that is weak both politically and economically — that's not a happy combination.

I think there is a chance of an interruption in supply out of the Middle East.

But even on the basis of supply and demand alone I think the price of oil can work it's way higher. I think that this is an area with limited risk that most portfolio managers are asleep on.

Q. So what's going to underpin the stock market?

Mr. Cohen: One area that is likely to continue to underperform would be some of the extreme defensive issues including some of the electric utilities. The reason for that primarily is that the people focus on that sector when the market is doing poorly.

DOLLAR: Sanctions Pose Threat

Continued from Page 13

yen and the Deutsche mark — which enables U.S. industry to compete export markets.

The dynamics of the domestic economy would appear to immunize the capital markets from any upset in relations with Japan, and if a weaker dollar were to result, that decline would be well timed to make U.S.-made goods more attractive abroad and assure that the domestic economic slowdown does not turn into a recession.

But this view, analysts caution, overlooks the fact that the United States is also hostage to Japan, which through massive intervention in the foreign exchange market aimed at slowing the yen's appreciation, holds an estimated \$130 billion as reserves.

Japan could dump the short-term Treasury securities these dollars are invested in, wreaking havoc in the U.S. bond market and driving the dollar up unthinkably.

Japan would also suffer. It would risk losing money on its investments by driving prices

down and, more importantly, would inflict massive harm on its export industry, which is already screaming that it cannot survive with the present exchange rate.

"It's a scenario of mutually assured destruction," said Mark Cliffe of HSBC Markets in London.

While analysts agree that Monday's initial reaction is likely to be a sharp sell-off of the dollar, there is some uncertainty about the longer-term impact.

"Yes, there is a grave danger of a free-fall in the dollar," Mr. Cliffe said. But if the Bank of Japan were to stop buying dollars in support of the yen, he added, "that could change the psychology of the markets, investors would be forced to decide what is the 'right' price for the currency."

Adrian Cunningham of the Union Bank of Switzerland noted that "imposition of sanctions might increase confidence that the dollar has bottomed and prove a catalyst for Japanese institutions to increase portfolio capital flows into the United States."

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SPORTS

Thunder Gulch Stuns Kentucky Derby Favorites

By Andrew Beyer
Washington Post Service

LOUISVILLE, Kentucky — Trainer D. Wayne Lukas, who has been obsessed and often frustrated in his quest to win the Kentucky Derby, dominated the 121st running of America's most famous thoroughbred race.

He saddled three horses, and Thunder Gulch, the most lightly regarded, scored a 24-to-1 upset Saturday.

He did so after stalking Serena's Song, Lukas's filly, who sprinted to the front and set a blistering early pace. Jockey Gary Stevens sent Thunder Gulch to the lead early in the stretch, and prevailed by 2 1/4 lengths over Tejano Run, as Lukas's more highly regarded colt, Timber Country, rallied to finish third.

One of the most successful thoroughbred trainers of all time, Lukas came to Churchill Downs with a 1-for-23 Derby record and the distinction of having run the most losers in the race's history. He had exuded confidence last week about Timber Country and Serena's Song — who were coupled in the wagering and favored — but he barely mentioned Thunder

Gulch, except to refer to him as the "step-child" of his trio.

Yet almost as soon as the gate opened, it was apparent that the outsider was going to be a formidable presence in the 121st Derby. Even though he broke from the disadvantaged Post 16, Stevens managed to put him into optimal striking position throughout the race. He fully validated Lukas's judgment in asking him to fly here from Hong Kong for this assignment.

Serena's Song came out the gate in high gear, and while Corey Nakatani appeared to have a strong hold of her, she sped the first quarter mile in 22.4 seconds over the lightning-fast strip. Mike Smith deftly steered the Canadian champion Talkin Man to the rail at the first turn and put the 4-to-1 shot in perfect striking position behind the leader. Stevens also managed to avoid the tactical pitfalls that might have befallen him in the 19-horse field.

"The colt broke very sharp, and after 50 yards out of the gate I got toward the inside," he said. "I couldn't have imagined myself being in a better place. I was ecstatic."

As Serena's Song reached the half-mile mark in a swift 45.8 seconds and the six furlongs in 1:10.2, some of the speedsters

chasing her faltered, but Talkin Man appeared a formidable presence on the rail just behind her. Thunder Gulch had been sitting in fifth place early and now moved up to third just outside the two leaders. As Talkin Man cut the corner and got past the fifth, Stevens glanced over and figured that he was the one to beat. "I thought it was going to be a hard-fought battle in the stretch with Talkin Man," he said.

But at the moment Stevens asked Thunder Gulch for his decisive acceleration, Talkin Man faltered; he wound up finishing 12th. The filly was finished, too, struggling home 13th. And in the matter of a few strides, the 144,110 fans saw that the outcome was no longer in doubt.

The winner covered the 1 1/4 miles in 2:01.2, although this was the fastest Derby since 1985, the time was not exceptional, because the Churchill Downs strip was as fast as it has ever been.

The second- and third-place finishers, Tejano Run and Timber Country, both gave good performances with their strong finishes. Behind them were the stretch-running Juntron, Mecke and Elish.

Thunder Gulch earned \$707,400 for his owner, Michael Tabor, a resident of Mo-

naco who is a major shareholder in a group of betting shops throughout England. He said he had augmented his purse money in the Derby, betting both at home and Churchill Downs: "I had some sterling on it and I had some dollars on it."

At \$51, it was the best Derby victory payoff since Proud Clarion's \$62.20 return in 1967.

Thunder Gulch had looked for a while as if he might be Lukas's principal Derby contender, but when he finished a dull fourth in the Blue Grass Stakes at Keeneland, he became the forgotten horse. Next to his more glamorous stablemates, Lukas described him as "blue collar worker."

• The foreign entries did not fare well in

the Derby. The Associated Press reported.

Ski Captain, the first Japanese-owned

horse to compete, finished 14th. Ski Cap-

tain was making his first start since early February.

English-based Elish did the best of the foreign contingent. He was in a little trou-

ble early and closed some ground to finish sixth. Citadeed, also based in England,

made a run at front-running Serena's Song

on the backstretch but faded and wound

up ninth.



See OLYMPUS/Reuters

Gary Stevens rode to a 24-to-1 upset.

Pennekamp Wins The 2,000 Guineas

The Associated Press

NEWCASTLE, England — Celtic Swing's bid for the English Triple Crown was thwarted in the first leg as the odds-on favorite was beaten by less than a nose by Pennekamp of France in the 2,000 Guineas on Saturday.

Thought to be England's best 3-year-old in 25 years, Celtic Swing hit the lead at the halfway point of the mile classic.

But Pennekamp, the second favorite and one of four unbeaten colts in the race, came from the outside and surged ahead with 100 yards left. Celtic Swing's jockey, Kevin Darley, made a late charge, but Thierry Jarret, on Pennekamp, held on to give the owner, Sheikh Mohammed ibn Rashid al Maktoum, his first 2,000 Guineas victory.

Bahi, ridden by Willie Carson, was two lengths back third.

The victory ended more than a decade of frustration for Sheikh Mohammed, who has been chosen champion owner in British thoroughbred racing eight times but had not won the 2,000 Guineas. It also was the first English classic triumph for Jarret.

SCOREBOARD

Major League Standings

AMERICAN LEAGUE

East Division

West Division

NATIONAL LEAGUE

Central Division

West Division

NATIONAL LEAGUE

East Division

West Division

NATIONAL LEAGUE

Central Division

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NATIONAL LEAGUE

MONDAY, MAY 8, 1995

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English Rugby Team in Revolt Over Demotion

By Ian Thomsen
International Herald Tribune

LONDON — With rugby union's World Cup just three weeks away, England's team was simmering on the verge of revolt Sunday because of the dismissal of the popular Will Carling as its captain.

Carling, who had been the team's most successful captain, was demoted by the Rugby Football Union, in what appeared to many to have been a ridiculous stand on pride, for referring to the sport's national administrators as "old farts."

"You can't have a chap who has served England so well for so long treated this way," said the fullback Jon Callard. "We'll see the power of the England squad. At the end of the day, who is going to bring back the World Cup, the players or the committee?"

Carling's teammates are to meet for training Monday, with the team scheduled to leave May 17 for the World Cup in South Africa. England is, or was, rated as among the top four contenders.

"A lot of us are quite shocked," said

the center Jeremy Guscott. "It's a case now of 'Watch this space.'"

With Carling as captain, England's team had recorded 37 victories, three Grand Slams (for going undefeated) in the annual Five Nations Championship of Europe, and a second-place finish at the 1991 World Cup. At 29, he was playing his best in years, revitalized by the first-year coach Jack Rowell, who said that he, too, was shocked by the decision.

The RFU has become a commercial success, demanding vast endorsements from sponsors while stubbornly refusing to pass along financial rewards to the players, who are regarded as amateur and therefore in the game for the fun of it.

Carling may have been disrespectful, but there could be little arguing with his statement, made at the end of a 30-minute documentary by the TV program "Fair Game": "If the game is run properly as a professional game, you do not need 57 old farts running rugby. What I think gets me and a lot of players now is the hypocrisy of the situation. Why are we not just honest and say there is a lot of money in the game? It is becoming a professional game."

His characterization of administrators seemed to have been confirmed by the RFU's quick reaction. Its five officers, ignoring an apology by Carling, announced Saturday that it would be "inappropriate" for him to represent England as captain.

And in further appearing that they didn't want anyone reminding them that players are infinitely more important to the game than its administrators, the RFU even excluded Rowell from deciding Carling's punishment.

"I specifically excluded Jack Rowell from the decision," said the RFU's 69-year-old president, Dennis Easby. "I did not want him to be a party and, therefore, did not seek his opinion."

Carling was criticized by Rowell and other rugby officials for taking on the administrators at the worst possible time, but there was a larger feeling that the administrators had done greater harm to themselves by failing to account for the superior needs of the game.

The incident will surely detract from the showcase World Cup, pointing out the deficiencies of amateur rugby union just as it is being threatened by its profes-

sional rival, rugby league, under the financing of media mogul Rupert Murdoch and Kerry Packer.

"I realized that I had said something very stupid," Carling told the Mail on Sunday, one of several newspapers to attack the RFU for its decision. "But I just couldn't believe that anybody could be so offended that they would take such draconian action without even allowing me to put my side in a fair hearing."

"Surely there is a much bigger agenda than this," he added, "like winning the World Cup for instance. They accused me of disrupting the unity of the RFU but now they are quite happy to ruin our preparations with just three weeks to go."

Though Carling may retain his position at center, he will not easily be replaced as captain, a position he earned at 22. And, as captain, he had learned to react to strategy and dictate tactics to his 14 teammates on the fly.

But the hard, fast grounds of South Africa have long been a bane to England's grinding and pummeling style; no sooner had Carling been demoted than the bookmaker William Hill was



Will Carling: "I just couldn't believe that anybody could be so offended."

lengthening the odds against England from 4-to-1 to 9-to-2.

The veteran No. 8 Dean Richards, who would have been one of those most likely to replace Carling, said: "I would not accept the captaincy in these circumstances, even if pressed by Jack."

"I don't know if anybody else would," Richards said. "Tomorrow night the players have got to sit down and chat over the events of the weekend, but I am sure I speak for all of them by saying that the punishment is totally over the top and outrageous."



Aboard Black Magic I, the Kiwi crew battled high seas and Dennis Conner's Star & Stripes team to take a 1-0 lead.

SIDELINES

Torrance Wins Golf's Italian Open

MILAN (Reuters) — Sam Torrance of Scotland enhanced his bid for an eighth straight Ryder Cup berth this year with a shot victory Sunday over Spain's José Rivero in the Italian Open.

Torrance, 41, who broke the course record with 9-under-par 63 on Saturday, shot a last-round 67 to finish at 269. Rivero, who birdied three of the last four holes, shot 66.

Stephen Keppeler, a former British Walker Cup player who is now a club pro in suburban Atlanta, shot 5-under-par 67 and was tied for the lead with Jim Gallagher going into the final round of the BellSouth Atlanta Classic.

A spokesman at University Medical Center said Garcia's vital signs were stable but his prognosis was unclear.

Ruelas battered the game but outclassed Garcia nearly at will for more than 10 rounds Saturday before the referee, Mitch Halperin, stopped the bout 25 seconds into the 11th round.

The fight topped the undercard of the lightweight title fight between Ruelas' brother, Rafael, and Olympic gold medalist Oscar De La Hoya.

De La Hoya, one of boxing's fastest rising stars, knocked Rafael Ruelas down twice in the second round, then stopped him with a barrage of punches to add the IBF title to his WBO crown.

Ruelas' record is 10-0-1, Garcia's 10-10-1. The fight was stopped in the 11th round.

Martinez Routs Hingis in First Final

HAMBURG (AP) — Conchita Martinez, the Wimbledon champion, put on a powerful display of clay-court tennis to overwhelm Martina Hingis, the 14-year-old prodigy, 6-1, 6-0, and win the Citizen Cup Sunday.

Hingis, who has been on the pro tour for six months, was overcome by stage fright in her first professional final and had a series of unforced errors that made Martinez's job easier. But, she said, "I am very pleased with what I achieved here." She will climb from No. 60 in the rankings to a place in the top 30.

For the Record

Russia, on second-half goals by Valeri Kechinov, Nikolai Pisarev and Maksim Mukhamadiev, beat the Faroe Islands, 3-0, in a European Championship qualifying match.

Diego Armando Maradona resigned as coach of the Racing Club team after Juan De Stefano, the club president who had hired him, was not re-elected.

Peltonen's 3 Goals Against Swedes Give Finns Title

The Associated Press

STOCKHOLM — Ville Peltonen's three goals led Finland to a 4-1 victory over archrival Sweden in Sunday's final of the World Hockey Championships.

It was Finland's first gold medal in a major hockey championship. In the two previous finals, Finland lost to Sweden in 1992 and to Canada last year, and won a silver medal in the 1998 Winter Olympics.

Peltonen broke a tight game open by scoring two of his three goals within 2:17 late in the second period.

The 21-year-old left wing, who was the San Jose Sharks' fourth choice and 58th overall in the 1993 NHL draft, beat goalie Thomas Olsund with a slap shot from the left circle at 17:39.

Then, with only four seconds left of the period, Peltonen knocked in a rebound from close-range to make it 3-0.

Nordiques and Capitals Win Eastern Openers

The Associated Press

The New York Rangers had been 15-0-1 in games in which they led after two periods.

Capitals 5, Penguins 4: The Penguins, meanwhile, lost yet another opening game in the playoffs to the Capitals in another Eastern Conference matinee.

The Rangers, who lost all three games to the Nordiques

NHL PLAYOFFS

during the regular season, lost 5-4 on Saturday in one of the two opening-night games in the playoffs.

The defending Stanley Cup champions led 4-2, going into the third period, but the Nordiques rallied for three goals to take a 1-0 lead in the best-of-7 Eastern Conference quarterfinals.

Capitals 3, Penguins 2: The Capitals beat the Penguins in Game 1 of a playoff series for the fourth time in as many series since 1991. The Penguins rallied from a first-game loss to win in 1991 and 1992, but lost to the Capitals in six games last season.

Joe Sakic's second goal of the game was followed by one from Bob Bassen, then Sakic scored again with 38 seconds left.

American defender — circled each other aggressively.

With less than a minute before the start gun, the opponents broke off, both on starboard tack, and headed up to the mark. The seas, which were slopping at the boats' topsides in six-foot (1.8-meter) swells and chop, didn't help with timing. But both teams, which had been using three months of trial racing to get to that single moment, crossed the line with only a one-second difference between them.

Conner said that his boat's electronics went out right after the start. His crew was "flustered," he said, that they couldn't sail Young America to its potential. But he also gave credit to the New Zealanders.

"The reason we lost was not because we didn't know the boat," he said. "The better boat won today. They sailed a little better and had little better speed upwind."

Still, the Conner crew was not at its tactical best when it needed it most — in the first leg. The wind was coming in from the west at about 14 knots at the start. In classic match-racing form, the two yachts — the jet-black Kiwi challenger and the mermaid-splashed

"It's easy to second-guess it now," Conner said. "I think Paul thought we could make a close duck there, go up 30 seconds and tack, and they might have a hard time getting across on port at the mark."

The black boat went on to round the first mark with a 31-second lead. In the downwind leg, the end fitting — or jaw — on Black Magic's spinnaker pole broke. The gear failure, a rare incident for the polished New Zealanders during their challengers' trials, could have demolished their lead, and almost did.

Young America was making up time and had moved up to within two boat lengths of Black Magic I. But a poorly executed jibe on Young America cut into the mermaid boat's surge. At the second mark, Black Magic's lead was down to a meager 12 seconds. But that's when the boat speed on Black Magic started to kick in.

Not only was the wind swinging left and right in 10-degree shifts, but it was also dropping for a while to nine knots, then picking up later to 17 knots. As the breeze began to dwindle, Black Magic I looked as if it was coming into its own.

Having stretched out in the second beat to windward, the Kiwi team sailed around the third mark with a far more comfortable 42-second lead.

"The wind was shifting, and they were punching into big seas," Sefton said. "But they sailed it beautifully."

The team also had taken advantage of having tools on board. New Zealand's crewmen, Jeremy Scanliffe, and Dean Phipps, could be seen on deck working like mechanics on duty fixing the broken spinnaker pole fitting. By the next downwind leg, the pole was ready to go. At the fourth mark, Black Magic I was 1:22 in the lead.

The team appeared to sail conservatively after that, raising and lowering its sails at a distance before the last mark.

"All in all, congratulations to the Kiwis," Conner said. "They sailed a very good race, and they deserved to win today."



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THE LINK BETWEEN EXCELLENCE AND SAILING



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